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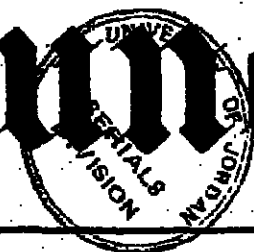


Table with exchange rates for various currencies including London, Paris, Frankfurt, etc.

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LONDON, THURSDAY, MAY 28, 1992

ESTABLISHED 1887

West Floods Iraq With Counterfeit Currencies

Goal Is to Undermine Economy, Destabilizing Saddam's Government

By Youssef M. Ibrahim

AMMAN, Jordan — Iraq's economy is the target of an American-led destabilization campaign that has poured vast amounts of counterfeit currency into the country...

The Arabs want to ease Iraqi hardships from sanctions, the Arab League head says, Page 4.

taking measures to curb it, including instituting life sentences for cooperating in circulating counterfeit dollars or dinars and death sentences for those who smuggle them into the country.

The fake currency has contributed to Iraq's severe inflation problem, which is aggravated by the fact that the Iraqi government is printing large amounts of money to pay inflated salaries and cover the costs of reconstruction after the Gulf War.

In the last few months, the destabilization efforts seem to have shifted into high gear, officials in Amman say, particularly after the United States was reported in February to have authorized full-fledged covert operations against Iraq.

In Washington, a spokesman for the Central Intelligence Agency, Mark Mansfield, declined to discuss the dumping of fake currency in Iraq.

Along with international economic sanctions against Iraq, the covert measures have had mixed results since the Gulf War ended in February 1991. They have clearly helped weaken the economy to the point where the local currency could become worthless, and they have loosened President Saddam Hussein's grip on the people and forced his government to respond with a stepped-up reconstruction program to curtail shortages and restore basic services.

The measures also buttressed the assertion, shared by a rising number of Iraqi nationalists including Sunni Muslims and Christians, that the West and its allies will not be content with the removal of Mr. Saddam, but only with partitioning and destroying the country.

Further weakening the economy is the fact that legitimate Iraqi currency is not backed by any gold or hard currency because those are being used to import goods.

As a result, the dinar, which has a fixed rate of exchange equivalent to \$3, has a real value of about 7 percent of that, or 5 to 6 cents.

Some Iraqi travelers interviewed in Amman, including businessmen, said they expected the currency value to plunge much further soon.

Since Iraq stopped doing business with Britain during the Gulf crisis and began printing its own money on lower-quality paper, counterfeiting has become much easier, sources said.

"People joke about it, and some have become experts in telling which denominations are

See IRAQ, Page 4



Victims' shoes and other belongings lying scattered amid broken glass at the scene of mortar attack in Sarajevo on Wednesday.

EC Votes to Penalize Serbia and Its Ally

Mortar Attack Kills 17 in Sarajevo Mall

But an Oil Ban Is Put Off Until Action by UN

By John F. Burns

BELGRADE — At least 17 people were killed and dozens of others wounded Wednesday in a mortar attack on a pedestrian mall in Sarajevo, the capital of Bosnia-Herzegovina.

It was the worst attack on civilians since fighting began in Sarajevo two months ago, and it came as Western powers were preparing to impose economic sanctions on Serbia for its role in the killing and destruction in the former Yugoslav republic.

Peace talks in Lisbon between Bosnia-Herzegovina's ethnic groups collapsed after the attack, The Associated Press reported from the Portuguese capital.

The European Community mediator, José Culić, said the talks broke down after the Muslim delegation said they could no longer search for a political solution while the bloodshed continued.

[Mr. Culić had been meeting for five days with Serb, Croat and Muslim delegations.] Although all sides in the Sarajevo fighting have attacked civilians, several factors indicated that the incident on Wednesday, in which three mortar shells fell near a line of Serbs, Croats and Muslim Slavs waiting to buy bread, was launched by irregular Serbian units in hills south of the city.

Among these factors was the reaction of the senior Serbian officer representing the Serb-controlled Yugoslav Army in Sarajevo, who implied that he blamed units of the newly formed army of Bosnia-Herzegovina's Serbian minority for the attack.

The attack, at mid-morning, left a scene of carnage exceeding any previously inflicted on the central Sarajevo district, which has repeatedly been hit by mortar, artillery, and rocket fire. Television pictures showed bodies lying near a covered market, a few blocks from the riverfront site where Gavrillo Princip, a Serbian nationalist, assassinated Archduke Ferdinand of Austria in 1914, setting in train the events that led to World War I.

The television shows showed people with massive wounds, some with severed limbs, waiting for assistance that was delayed when ambulance crews, trying to reach the scene came under sniper fire.

The attack followed weeks of warfare in which Serbian fighters, like their Croat and Muslim Slav opponents but in a more widespread manner, have mounted attacks on civilian populations and on relief convoys, fostering international momentum for Serbia's economic and diplomatic isolation.

About 12 hours before the mortar attack, shells, again apparently originating from the

See ATTACK, Page 4

PARIS — Eager to be seen taking the lead in the Yugoslav crisis, European Community diplomats moved on Wednesday to order a trade embargo against Serbia and Montenegro.

They also called on the United Nations to adopt similar sanctions in the hope of forcing an end to Serbian military intervention in Bosnia-Herzegovina.

But the representatives did not include oil in the sanctions, pending United Nations action.

The Europeans' move came just three days after they were publicly admonished by Secretary of State James A. Baker 3d for moving slowly to tackle what he called the "inhumanitarian nightmare" gripping Bosnia since it declared its independence last month.

The Community decision, reached after a daylong meeting of representatives at its Brussels headquarters, must still be endorsed by foreign ministers. But this is expected to be a formality.

European diplomats said the embargo should come into force some time next week.

Political experts said the Community, which assumed responsibilities for brokering a political settlement in Yugoslavia 11 months ago, was intent to act before the United Nations Security Council. Council members are themselves expected to impose a trade embargo on Serbia and Montenegro later this week.

Charles Goldsmith of the International Herald Tribune reported from Brussels:

European Community representatives agreed Wednesday to impose limited trade sanctions on Serbia and Montenegro. But they stopped short of adopting an oil embargo pending action by the United Nations.

The EC urged the United Nations to follow the Community in imposing a ban on trade with the two remaining members of Yugoslavia and also urged a UN oil embargo.

EC diplomats acknowledged, however, that the trading ban was mostly symbolic.

"This is a political decision," said one official. "There's very little trade left with Serbia and Montenegro."

The decision by the EC officials must be endorsed by Community ministers before it can take effect. But diplomats said that such a step was certain and could take place as soon as Monday at a meeting of Community education ministers in Luxembourg.

The EC trade sanctions include a ban on export credits and an end to scientific and technical cooperation. But they do not include a freeze on assets, a ban on sports contacts or an end to landing rights of JAT, the national airline, officials said.

The measures adopted at the meeting thus

See SANCTIONS, Page 4

Bush and Clinton Both Hope Perot Will Hurt the Other Guy More

By Dan Balz and Ann Devroy

WASHINGTON — At a moment when they might be savoring the successful end of a long and difficult primary season, campaign advisers to President George Bush and Governor Bill Clinton are scrambling to find the silver lining in the spring thunderstorm known as Ross Perot.

The sudden emergence of Mr. Perot as a serious presidential contender has prompted Mr. Bush and Mr. Clinton to adapt their messages and re-evaluate their electoral strategies while hoping the Texas billionaire's likely candi-

didacy either fades as the summer goes on or hurts the other guy more. But it is the Republicans who sound more alarmed at the moment.

"We've got 40 options here on what to do, four competing power centers and no consensus," a senior White House official said. "The

Even off ballot, Perot makes a mark, Page 3.

only thing I can say is, Thank God it's not August yet."

Mr. Clinton's campaign is preparing to steal a page from Mr. Perot's campaign book by using new technologies to beam their candidate directly into voters' homes, but for now both sides are spending their time analyzing Mr.

Perot's appeal — the Democrats by looking at all available polls and the Bush campaign by conducting focus groups with voters that have turned up disturbing news for the president.

The focus groups, conducted in five cities since late April with voters who supported Mr. Bush in 1988 but are now wavering, found that a majority interviewed now support Mr. Perot.

According to sources, that is in part because of resentment against Mr. Bush for caring more about overseas concerns than those at home, despite seven months of White House efforts to dispel it.

Mr. Perot's independent candidacy and a three-way race upends conventional assumptions about the electoral map.

For Mr. Clinton, the danger is that Mr. Perot's particular appeal in the West will rob the Democrats of such states as California, Oregon and Washington, without which Mr. Clinton probably cannot win the White House.

For Mr. Bush, the fear is that Mr. Perot will undercut the traditional Republican advantage in the electoral college based on the South, where swing voters might defect from the Republicans to his candidacy, and the Democrats have a base that Mr. Clinton could exploit and carry states that have belonged to the Republicans.

Bush advisers are examining three possible scenarios for the general election: a three-way race or two-way contests with Mr. Clinton or

with Mr. Perot as their main opponent. Both camps believe Mr. Perot's popularity will decline, but there are doubts inside both campaigns. Most say the outcome of the election will not become clear until the fall.

A major threat to Mr. Clinton is that Mr. Perot's candidacy cuts to the core of the Arkansas governor's presumed appeal as an outsider who will shake up the Washington establishment.

But Paul Tully, political director of the Democratic National Committee, said the advantage for Mr. Clinton over the longer term was that the people most attracted to Mr. Perot,

See PEROT, Page 4

Kiosk

Killing May Fuel Haitian Exodus

PORT-AU-PRINCE, Haiti (NYT) — A spate of terrorist-type incidents here has raised fears of deeper turmoil, pushing more Haitians to flee their country. Unidentified gunmen on Tuesday evening killed Georges Izemey, a prominent merchant and the brother of one of the closest supporters of the deposed president, the Reverend Jean-Bertrand Aristide. Many Haitians say the incident fits in a rising tide of killings and disappearances that reflect the growing insecurity of the military amid an international embargo and growing signs of internal resistance. The embargo, meanwhile, has so far succeeded only in crippling the Haitian economy. (Page 3.)

Business/Finance

Sprint is buying Cotel to create an integrated American phone company. Page 11.

Crossword Page 5. Washer Page 2.

Table with exchange rates for Dollar, DM, Pound, Yen, FF.

Weimar Mystery: Art Treasure Underfoot?

By Stephen Kinzer

WEIMAR, Germany — From the surface, nothing about Karl-Marx-Platz in this historic town seems remarkable. It is a broad, rectangular plaza, flanked by two long concrete office blocks built during the Nazi period.

There is growing evidence, however, that Karl-Marx-Platz, earlier known as Adolf-Hitler-Platz, conceals one of the great remaining secrets of World War II.

Experts believe a trove of art stolen by the Nazis, including at least part of the legendary Amber Chamber, may be in a labyrinth of bunkers. "Many people, myself included, are now convinced that something is down there, possibly the Amber Chamber," said Joachim Vogel, a city spokesman. "The evidence is becoming stronger and stronger."

Since German reunification in 1990, historians and researchers have been free to work in what was East Germany, where the Nazi art collection disappeared.

An American treasure-hunting and geological survey company, Global Explorations of Gainesville, Florida, wants to conduct the potentially expensive underground search, and has offered to



Detail from a wall panel of the missing Amber Chamber, an 18th century gift to Russia. undertake all costs in exchange for television and magazine-feature rights. The president of Global Explorations, Norman Scott, hopes to complete talks with the state government of Thuringia in time to open the bunkers this summer.

In a telephone interview, Mr. Scott described evidence pointing to buried art treasure in Weimar.

The art that disappeared in or around Weimar half a century ago was assembled by Erich Koch, the gauleiter of East Prussia and territory occupied by the Nazis.

He looted museums and private collections across Central Europe as the German Army advanced, assembling the booty in the Baltic port of Königsberg. That city was overrun by the Russians and renamed Kaliningrad at the end of World War II.

The Koch collection was never fully catalogued so it is not known which artists are included. The most valuable art in the collection was the Amber Chamber, considered one of the supreme baroque and rococo masterpieces.

King Frederick I of Prussia conceived the Amber Chamber in 1701 as a gift to the Russian royal family, appropriate to seal an alliance.

It was a full-sized room made entirely of amber, including 22 wall panels, intricate bas-reliefs, busts, figures, monograms, coats-of-arms, candelabra, mirrors and inlaid decorations depicting Tuscan

See CHAMBER, Page 4

Red Tape Harms Trade, U.S. Aide Warns Russia

By Fred Hiatt

MOSCOW — Deputy Secretary of State Lawrence S. Eagleburger, in a speech delivered in the Kremlin, warned Russian authorities and business interests Wednesday night that U.S. investment in the former Soviet Union was still "severely, if not fatally, hampered" by bureaucratic restrictions and uncertainties.

Mr. Eagleburger, speaking to the Trade and Economic Council of American and Russian businessmen, said the United States was determined to build a "lasting partnership" with the nations of the former Soviet Union as they moved toward democracy and capitalism.

"We need you to succeed," said Mr. Eagleburger, who is the State Department's second-ranking official. "We want you to prosper."

But he cautioned the Russians that Americans could not be forced to invest in their country and were unlikely to do so if the business climate did not improve.

"In the short time I have been in Moscow, I must say that virtually all the American businessmen I have seen have told me that their ability to contribute as partners to economic recovery here is severely, if not fatally, hampered by regulatory and fiscal practices they are encountering at all levels of government," he said.

Among the handicaps to investment, Mr. Eagleburger cited constantly shifting and confusing laws and regulations; huge increases in tax rates for foreigners and foreign companies; uncertainty about who owns what and who controls Russia's vast natural resources, with various levels of

government competing for the wealth; and the former Soviet Union's \$190 billion debt to American companies.

"They cannot do business when, for example, a sudden tax increase wipes out the anticipated profit on a previously negotiated project," Mr. Eagleburger said. "They cannot do business when they are faced with a bureaucracy as you mention to deal expeditiously and authoritatively with them."

He added that American business executives would, "in fact, go elsewhere if they must."

Mr. Eagleburger's speech, in the Kremlin Palace of Congress, was not open to reporters, but U.S. officials made a copy of the speech available.

President Boris N. Yeltsin has promised Russia and the West that he will destroy the old command economy of the Soviet Union and allow Russia to move to a free market. But he faces powerful opposition from entrenched bureaucracies, from local and regional leaders who have seized authority ceded by Moscow, and from ordinary people dismayed by rising prices and

See WARNING, Page 4

Winner Take All? Lottery Millionaire Busted in L.A.

Los Angeles Times Service

LOS ANGELES — A man who won \$3 million in the California Lottery has been charged with receiving a cache of stolen loot — including five vacuum cleaners — from the rioting last month in Los Angeles.

Sergio Hernandez, 28, who receives \$120,000 a year from his 1989 lottery jackpot, faces a felony charge — and a likely one-year jail term — for using

his home to store goods allegedly looted by his brother, county prosecutors said.

"His brother had a bunch of the loot and had to move it, so he said, 'Hey bring it over to my place,'" a deputy district attorney, David Ross, said Tuesday.

"Apparently, it's a very nice place."

Los Angeles County sheriff's deputies received a tip that Mr. Hernandez was stashing riot booty and

raided his home, Mr. Ross said, discovering the five vacuums along with a video camcorder, compact disc player, "a couple of cellular telephones and some clothes."

Mr. Hernandez was released on \$5,000 bond on a single charge of receiving stolen property.

His brother, Martin Hernandez, 24, was charged both with receiving stolen property and with robbery, for allegedly joining in the looting of two stores, Mr. Ross said. Bail was set at \$5,000.

Handwritten note: هكذا من الاصل

Feeding on Spanish Wetland: A Host of Birds and Builders Battle Waged to Protect 'Everglades of Europe'

By Marjorie Simons
New York Times Service
DONANA, Spain — Before dusk, the visitors come hopping from the bushes, shrieking and whistling, ferreting out worms and nibbling on crabs and seeds. It is dinner time in the wetlands of Doñana, a kind of European Everglades, one of the Continent's most important wildlife reserves.

Among Doñana's guests are storks, flamingos and imperial eagles and the humbler teal, curlews and coots.

As they migrate from Africa to Europe, over the shortest sea crossing at Gibraltar, hundreds of thousands of birds stop at this national park in southern Spain. In its swamps and woodlands, they nest, breed and compete for food. But all around Doñana, another kind of competition rages.

Developers want to build more hotels, marinas and golf courses, including a luxury resort with 32,000 beds, along the park's periphery. And farmers nearby want more water to irrigate rice and strawberry fields.

Fighting against these projects are biologists and environmentalists who are alarmed because human pressures on Doñana have grown so fast and siphoned off so much of the water table that they threaten the park's survival.

Like these is a major item on the agenda of the "Earth Summit" in Rio de Janeiro in June. Biologists see this as a crucial issue all around the Mediterranean coast, where since ancient times people have drained swamps to halt malaria, to reclaim land, to build, to grow food.

But as the people have gained hundreds of thousands of acres of usable land in the region, wildlife has lost rich nurseries where uncounted plants, mammals, birds and water creatures can thrive.

The loss of wetlands has quickened in the last three decades as the Mediterranean coasts have become more coveted than ever and large stretches of coastline have been covered with concrete. United Nations studies cite major losses in Italy, Egypt, Turkey and Greece.

There are still many soggy wetlands left in the world, but human needs are affecting these spaces on every continent. The Everglades in Florida have lost much of their surface and continue to suffer the pressures of developers and farmers. What may be the mightiest seasonal wetlands in the world, the Pantanal in western Brazil, has come under a near siege in the last decade.

In Europe, Spain, with its long coastline, has paved over compar-

tively more of its shores than any other Mediterranean nation. In its rush to grow and prosper, Spain has long brushed aside protests from conservationists.

Yet now, environmentalists, politicians and citizens groups have engaged in an impassioned campaign and formed a "Save Doñana" movement. They say that commercial interests must be sacrificed to nature because close to a million birds are estimated to use these lands as a home, a stopover or a seasonal site.

Among the part-time inhabitants are 150 species of migratory birds, including the majority of the continent's geese. Permanent residents include 125 indigenous bird species, among them 30 protected species, and large mammals like deer, boar and the very rare lynx.

The park, founded in 1965, has drawn the attention of the European Commission in Brussels, which has filed a formal complaint against Spain for failing to protect the reserve.

"The outcome in Doñana will be a vital test for European conservation," said Jaime Vozmediano, a member of the park board.

At issue is not the 50,000 hectare (125,000-acre) park, which by law is protected against invaders, but the surrounding 52,000 hectares that form a vital buffer zone.

"Any more growth here will be the death sentence for Doñana," said Miguel Delibes, director of the park's research station. He spoke of the fertile region west of the Guadalquivir River, a long-neglected hinterland of low rolling hills that has become more popular in the last two decades.

A recent study said the hotels, villas and government-sponsored projects in this zone had pumped so much water that in the last 15 years the water table has dropped from 2 meters to 9 meters (6 feet to 30 feet) at various points, and several lagoons have dried up.

But in the nearby towns of Almonte and Matalascañas, the burst of development has brought a measure of prosperity to an impoverished region. Local people say they care more about jobs than lynxes and birds.

In April, the park defenders received backing from a report by international experts commissioned by the Andalusian government. It warned against further development, saying the region's ecology had been "stretched to its limit."

The local people, it suggested, should grow less thirsty crops and start attracting a different kind of tourists: nature lovers willing to stay in village inns and farmhouses.



A PRINCELY SEND-OFF — Prince Sadruddin Aga Khan, the president of Alp Action, with two bearded vultures that were released Wednesday at Le Reposoir, France, as part of an international effort to reintroduce the endangered species in the Alps.

EC Drops the Ecological Ball Energy Tax Snag Keeps It From Rio Talks

BRUSSELS — The European Community's dreams of boldly claiming leadership on carbon emissions at the Earth Summit in Brazil have dimmed in a haze of mistiming and miscalculation.

As the EC's environment commissioner announced with a "certain bitterness" Wednesday that he would not attend the United Nations conference, there was a widespread feeling that the Community could easily have avoided the sense of dismay on the issue that it brings to Rio de Janeiro next week.

The official, Carlo Ripa di Meana, had threatened several weeks ago that he would not attend the conference unless EC member nations first met several conditions, including broad approval of his plan for an energy tax to curtail carbon dioxide emissions.

EC environment ministers made it clear Tuesday that they had no intention of quickly endorsing the proposal, and several ministers questioned why the Commission had forced the issue at this time.

"The Commission could have gone to Rio and said, 'We have a proposal and we expect legislation in the next year or so,'" said an EC diplomat — even though such a brave prediction might have been excessively optimistic.

Instead, the environmental opinion-makers at the UN Conference on Environment and Development June 2 to 14 will be well aware that EC countries are deeply divided on the Commission's ambitious energy tax plan, which would add the equivalent of \$10 per barrel of oil by the end of the decade.

Five EC countries — Germany, Italy, Luxembourg, Denmark and the Netherlands — objected that the plan was conditional on the United States' and Japan's enacting a similar tax.

"I don't think there was ever the question of going to Rio with a Council of Ministers decision on a carbon dioxide tax," said the British environment secretary, Michael Howard. "The Commission only proposed this two weeks ago, and we can't say, 'Hey, presto, we're going to have a carbon dioxide tax.'"

Another problem for the Commission was that the energy tax proposal was not presented formally until Wednesday.

"All we have is a press release at this stage," an EC diplomat said, "and it's not even translated into all the Community languages."

Mr. Ripa di Meana's defenders say his boycott of the conference represents a protest against the EC Council of Ministers' reluctance to embrace the Commission's plans.

His critics counter that the more than 100 leaders in Rio de Janeiro do not really understand about the Community's Byzantine internal power struggles, but will only see a Community whose environment chief is conspicuously missing from the decade's key ecological meeting.

Rejection By Danes Wouldn't Kill Pact

BRUSSELS — Although it would surely receive a body blow, the Maastricht Treaty on European Union will not die a quick death if Danish voters reject it in a referendum next Tuesday.

The other 11 EC nations would continue with their ratification procedures, experts say, and Denmark would most likely be given another chance to endorse the treaty after all other countries had done so.

Even if such a second bite at the apple failed, the other 11 countries are expected to move ahead.

"Members of the EC will go ahead with application of the Maastricht treaty even if one or more members fail to ratify the program," President François Mitterrand was quoted as telling the French cabinet on Wednesday.

"That which could not be done by 12 would be done by 11, and if it could not be 11, then it would be 10," Mr. Mitterrand said, according to a government spokesman.

Mr. Mitterrand said he and Chancellor Helmut Kohl of Germany had agreed at a meeting last week that "if a country refused, that would not change the arrangement and we would immediately ask the others to confirm the agreement without renegotiation and without changing details."

Mr. Mitterrand said it would be simple to move ahead without Denmark, but experts say the logistics are more complicated.

"Although technically the treaty cannot take effect without ratification by all 12 countries, I don't think the other 11 would let the Danish veto stop them from moving ahead," said an aide to Frans Andriessen, the EC foreign affairs commissioner.

One option, he said, would be for the 11 other nations to adopt all the Maastricht pact's provisions but to do so outside the formal confines of a new treaty. It was in this manner that all EC countries except Britain adopted a chapter on social issues at the meeting of Community leaders in the Dutch town of Maastricht in December.

Other experts said that certain new EC elements like monetary union or police cooperation could go forward in a new treaty without Denmark's approval, but that modifications of Community policy under the 1957 Treaty of Rome could not be adopted in such a fashion.

Either scenario, officials say, could create a legal quagmire in determining the precise dividing line between "old" and "new" areas of EC jurisdiction.

"It raises a complete nightmare," an EC official said. "In some areas such as defense policy it's clear that Maastricht is a pure innovation, so it's easy to know where Maastricht starts and the Treaty of Rome ends. But in other areas Maastricht is just a continuation of existing EC policies."

The nightmare includes the vision of Danish ministers walking in and out of talks as items under discussion change, although predictions of similar woes did not prevent an accord exempting Britain on social policy in December.

Another option in the event of a "no" vote calls for an EC constitutional convention to renegotiate the treaty in order to meet Denmark's concerns. The problem here, experts say, is that Danish opposition tends to focus on a general, vague loss of sovereignty.

"If you ask Danish people what should be renegotiated you would either get no answer or 100 different answers," a Danish diplomat said.

The new leader of Denmark's Social Democratic Party, its largest, suggested this week that a "no" vote might lead to an "a la carte" situation in which Denmark would subscribe to only portions of the Maastricht agreement.

WORLD BRIEFS

Germans Delay Jet Fighter Decision

BONN (Reuters) — Chancellor Helmut Kohl's Christian Democrats and their Bavarian sister party agreed Wednesday to postpone a decision on Germany's future role in a four-nation plan to build a European fighter plane, government sources said.

The agreement at a meeting between the Christian Democrats and the Christian Social Union temporarily defused a dispute on the costly European Fighter Aircraft.

The sources said the decision, which was to have been made next week, would now come toward the end of June after further talks, including consultations with the three other nations involved: Britain, Italy and Spain.

Tapie Charged in French Fraud Case

PARIS (Reuters) — A French judge on Wednesday charged the former minister of urban affairs, Bernard Tapie, with being an accomplice to fraud, judicial sources said.

Mr. Tapie, 49, resigned from his cabinet post on Saturday after only seven weeks in the Socialist-led government. Judge Elisabeth Botzette had notified Mr. Tapie that she intended to indict him on charges of misappropriation of funds and false accounting over the sale of Nippon Audio Video System to Toshiba Corp. of Japan in 1985.

A former business partner of Mr. Tapie, Georges Tranchant, who is a conservative opposition member of parliament, has accused Mr. Tapie of having secretly retained 13 million francs (\$2.4 million) from the sale of their joint business while declaring only 1.8 million francs. Mr. Tapie, who has asserted that the case against him is politically inspired, says he was paid the 13 million francs for other services rendered by the Tapie group.

Brazil President's Brother Backs Off

SAO PAULO (AP) — The brother of President Fernando Collor de Mello admitted Wednesday he had no proof to back up his charges that Brazil's head of state had received millions of dollars in kickbacks.

Pedro Collor de Mello made his explosive accusations last week in interviews with major newspapers and magazines. He said his brother and Paulo Cesar Cavalcante Pariza, a wealthy businessman and treasurer of Mr. Collor's 1989 presidential campaign, stole millions of dollars in illegal political contributions and kickbacks from companies that received lucrative government contracts.

Pedro Collor de Mello was asked Wednesday if he had confirmed the charges. He responded, "No, because I don't have any proof." He said his charges against his brother were made at a moment "when my emotions were stronger than my reasoning." The president has filed suit against Pedro Collor for slander and "moral damage."

Correction

Because of editing changes, an article in the Business/Finance section of last Thursday's editions on Olympia & York Developments Ltd. overemphasized the likelihood that a legal action by Morgan Stanley & Co. could force Olympia & York into bankruptcy proceedings in Britain.

TRAVEL UPDATE

Boeing has introduced a new locking device to prevent thrusters on jet engines from going into reverse in flight, as was suspected in the crash of an Air Lanka plane in Thailand, killing 223 people. The cause of the accident May 26 last year has not been determined, but initial inquiries suggested that one of the thrusters of the 767 went into operation while the plane was about 90 miles (140 kilometers) from Bangkok. The reverse thrusters are usually used to aid in braking after landing.

Lufthansa will scrap flights on two routes and reassign several others to a subsidiary. Less than two weeks after announcing a record annual loss of 425.8 million Deutsche marks (\$262.5 million), the German carrier said three daily flights between Frankfurt and Berlin-Schönefeld, in East Berlin, would be dropped in July, as would flights from Berlin-Tegel, in West Berlin, to Budapest.

South Africa and the Netherlands have signed an air treaty allowing for an increase in the number of flights between the two countries. The treaty provides for flights by South African Airways and KLM to be increased immediately to three a week from the current two. If the market requires it, the number of flights can be increased to seven a week.

Budapest Berlin, the oldest Berlin-Langenscheidt-School, reopened Wednesday after more than four decades. Courses had been organized in Hungary from the beginning of the century until World War II. (AP) Belgian train traffic was paralyzed in the south and seriously disrupted in the north Wednesday after the railroad workers began a 24-hour strike over planned job cuts.

About 25,000 Norwegian municipal workers walked out Wednesday after all-night negotiations failed to arrive at a new contract. The national union ordered some members off the job in six cities, selecting such targets as day-care centers, power companies and garbage collection. Machine tool board members warned that they would probably start a separate strike.

Spanish workers paralyzed two regions in the north of the country Wednesday in a 24-hour general strike to protest government economic policies and industrial decline. Union officials said they brought the Basque Country and adjacent region of Navarre to a standstill. (Reuters) Pilots of SAS called Wednesday for a second 24-hour strike next month as negotiations with management failed. The strike would halt all regular Scandinavian Airlines System flights at midnight June 9. A strike for next Monday had been announced earlier this month. (AP)

Northwest Airlines, in a break with the simplified fare structure adopted by major U.S. carriers last month, introduced a two-for-one measure for Tuesday night on all domestic flights except to Hawaii and Alaska. The fare allows an adult and a child to fly for the price of one and also shortens the advance-purchase requirement for family travel to a minimum of 7 from 14 days. (NYT)

Study Faults Bush Effort to Curb Mideast Arms

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — A bipartisan group of U.S. legislators, analysts and defense industry officials has urged the world's five major arms suppliers to ban many sales of advanced weaponry to the Middle East and take other measures to prevent a new arms race in the region.

The 20-member study group said that the Bush administration's current diplomatic efforts on the issue were unlikely to bring about a major improvement in regional stability and should be bolstered by sweeping new initiatives aimed at diminishing military anxieties among the region's longtime adversaries.

"The time to push forward with concrete multilateral arms transfer guidelines for the Middle East is now," said a report by the group, which was organized by the Henry L. Stimson Center, an arms control research organization in Washington.

The report, made public Tuesday, criticized guidelines worked out last year by the five leading arms suppliers as "vague and hortatory."

It called for a new agreement among the leading suppliers — the United States, France, Britain, China and Russia — to cap at current levels the inventories of Middle Eastern nations in five categories of arms, allowing only one-for-one replacement.

The independent study group also proposed a ban on all sales to the region of new types of weapons technologies such as Stealth technology, cruise missiles and advanced targeting or surveillance systems.

The group, which deliberated over a nine-month period, included several senior executives of major defense companies such as James G. Roche, a vice president of Northrop Corp., and Bernard L. Schwartz, the chairman of Loral Corp.

It also included Martin Indyk, director of the Washington Institute for Near East Policy; Kim Holmes, foreign policy director of the Heritage Foundation; and other independent analysts.

"This study lays out some of concrete steps the Bush administration must take to show it is serious about Middle East arms control," said Senator Joseph R. Biden Jr., Democrat of Delaware.

Mr. Biden took part in the group's deliberations along with Senator Charles E. Grassley, Republican of Iowa, and Representative Howard L. Berman, Democrat of California. Each of the three lawmakers is a critic of arms sales to the region.

The official release of the report at a hearing Wednesday of the House Foreign Affairs Committee was timed to precede a two-day meeting beginning Thursday in Washington of representatives of the five major arms-supplying nations.

U.S. officials said they hoped to reach final agreement at the meeting on a plan to exchange data about projected arms sales to the region. Such an exchange would enable any of the five countries to raise objections in advance to arms deals that it considers potentially destabilizing.

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An Israeli Army truck patrolling the Lebanese border Wednesday.

There was no comment from Israel, and no group immediately took responsibility for the attack.

After the explosion, Israeli artillery and tanks in the buffer zone began shelling nearby villages for about an hour, the police said. Israeli helicopters then flew over the site of the explosion as well as over those villages, which are just north of the buffer zone, they said.

Lebanese policemen in Sidon said that residents of the villages of Arzun and Kfarun had heard a

"loud explosion," but gave no details.

The report of the explosion followed a series of Israeli raids and shelling attacks began last week on suspected sites of the pro-Iranian Hezbollah militia in southern Lebanon.

The raids, in which up to 20 people have been killed, began after a Hezbollah attack on May 19 that Lebanese sources said killed four members of the Israeli-backed South Lebanon Army militia, which is based in the security zone.

Table with weather forecasts for various regions including North America, Europe, Asia, and Africa. Columns include location, today's high/low, and tomorrow's high/low.

Attack in South Lebanon An Israeli soldier was killed and another was wounded Wednesday when a bomb exploded in Israel's self-declared security zone in southern Lebanon, Agence-France Presse reported from Sidon, Lebanon, quoting a source serving with security forces in the region.

The bomb exploded when an Israeli patrol passed near Beaufort Castle in the central portion of the buffer zone, the source said, adding that the explosion had also damaged a tank.

Ambitious U.S. School Plan Seeks Reforms — and Profits

By Susan Chira
New York Times Service

NEW YORK — Christopher Whittle, the maverick media entrepreneur, gained instant credibility and considerable publicity when he landed Benno C. Schmidt Jr., the president of Yale University, to lead his ambitious effort to create a national private-school system.

But the hard questions begin now. Can they succeed when generations of equally ambitious school reformers have failed? And will the pressure to produce profits make it harder to run radically different schools at the same or lower costs than public schools?

The objective is to invent appreciably better schools, using dazzling technology and longer hours, but to charge no more in tuition than public schools spend on pupils — all while making a large enough profit to attract big-time investors.

The plan is to design the schools over the next two years, then to open 200 campuses with 150,000 students in the fall of 1996. Soon after the turn of the century, 1,000 schools educating 2 million students are projected to be open.

Mr. Whittle spills over with provocative ideas, but cheerfully admits that he and Mr. Schmidt, who announced his resignation as Yale's president on Monday, are two years away from producing concrete plans. So it will be some time before the public and their investors have any idea how viable their venture, the Edison Project, really is.

Many educators said they welcomed the competition and the investment of \$60 million that Mr. Whittle's backers have made to design new schools. But several also raised questions of elitism, the role of profitability in education and the project's political agenda in a time of fierce debate over the Bush administration's proposals to use public money to pay private-school tuitions.

"I wish Whittle well, but this still leaves the problem of solving the condition of public education," said Christopher T. Cross, executive director of Education Initiative, a part of the Business Roundtable, an association of major corporations.

"If we aren't careful as a society you could go back to creating a dual educational system, this time not based on race but on economic capability."

Mr. Whittle proposes that the network of 1,000 private schools will charge about \$5,500 tuition, with about 20 percent of students on scholarship. A few of these schools would be in inner cities, where scholarship help would have to be greater, subsidized by tuitions paid in wealthier areas.

Mr. Whittle says he believes his private schools will, indeed, change public schools — through the same kind of consumer pressure that underpins the administration's education strategy. This is the idea of "choice" or a voucher system that would allow dissatisfied parents to leave public schools and take their tax money with them.

Such voucher plans have already been met with stiff political opposition, and Congress has in effect killed President George Bush's proposals for now. But vouchers or no vouchers, Mr. Whittle says his

schools will be so good they will convince parents of the need for choice.

At the heart of the Edison Project is an idea that also guides the strategy developed under the secretary of education, Lamar Alexander, a former business associate of Mr. Whittle. It is hopeless to expect change from within this school system, this reasoning runs, so parents must be given the weapon of choice to force changes in public schools.

Although Mr. Whittle's schools would be private, his Edison Project is remarkably similar to Mr. Alexander's "New American Schools" proposal to create radically different public schools, one in each congressional district, which would then spur other schools to change.

Although Mr. Whittle says his own ideas may bear no resemblance to the ones his design team eventually adopts, he now envisions a nationwide network of campuses combining day care and elementary and high schools, open 11 months a year and running at least eight hours a day. The \$5,500 tuition is the average cost per child in a public school.

To make a profit he will have to keep actual costs far lower than that, and he is betting he can do so by relying on more volunteers, fewer bureaucrats and teachers, the latest technology and students who perform a wide array of services, from tutoring to cleaning bathrooms.

Virtually all of these ideas are culled from existing schools or educators' proposals, but no single school or district combines them.

"It's easy to say these things but tough to put them into practice," said Theodore R. Sizer, an educator who has spent years working to overhaul the Coal-

ition of Essential Schools, a network of about 200 public schools around the country. "I don't know all the financial stuff he knows, but I do know something about keeping school and what it costs and having high standards."

Mr. Whittle contends that he will succeed precisely because he is able to start from scratch.

"Very few have had the luxury to say, 'Were we to start completely over, how would we do this?'" he said. "There is a luxury in being a new entry."

Almost half of all money spent in public schools is not spent directly in classrooms, but on such support services as guidance counselors, librarians, psychologists, food services, transportation and administration. And it is here that Mr. Whittle believes he can cut costs dramatically.

Mr. Sizer said he was skeptical that Mr. Whittle's ideas would save as much money as he would need to offset the investments he promises to make in new technology, day care and other services.

Some educators are uneasy about the marriage of profits and education. Would a bad year force a school to close, stranding students? Would a squeeze on profits mean compromising on quality?

Many of these critics are suspicious about Mr. Whittle's grandest educational venture to date, Channel One, a news show for teenagers now shown in 10,000 schools, which received free video equipment in return for showing the 12-minute show in its entirety, including 2 minutes of commercials.

A recent report commissioned by Whittle Communications on Channel One's first year found that it was popular among students and teachers but did little to increase knowledge of current events.

Haitian Exodus: At Root, U.S. Policy Crippling of Island's Economy Appears to Be the Only Fruit

By John M. Goshko
Washington Post Service

WASHINGTON — As Americans debate the wisdom of President Bush's order to halt the influx of Haitians, even his supporters concede that the problem was caused by U.S. policy. Washington's intent was to oust Haiti's military bosses but until now it has succeeded only in crippling the island's economy.

American policymakers were widely applauded in October when they spearheaded a decision by the Organization of American States to impose a hemispheric embargo against Haiti.

The move, intended to put pressure on the military to reverse the coup that ousted the civilian president, the Reverend Jean-Bertrand Aristide, was cheered as a signal that the United States, once considered too willing to tolerate Latin American military dictatorships, was determined to face down challenges to democracy anywhere in the hemisphere.

At the time, the organization resounded with confident predictions that Haiti, the poorest and weakest country of the region, would buckle quickly.

It has not worked that way. The trade embargo has cut off most of the island's exports and imports and put at least 150,000 of Haiti's already impoverished people out of work. But the misery and privation caused by the embargo has left Haiti's military rulers and their supporters in the island's business class unmoved.

In part, that is because of the intense fear inspired in these groups by Father Aristide, a Roman Catholic priest whose populist preachings have won a great following among the Haitian masses. His promises to end the entrenched privileges of the army and the wealthy led to the coup, and the bitter denunciations he has directed against his enemies from his exile has solidified their belief that his return would be the prelude to a wave of vengeance and must be resisted at all costs.

An even greater problem has been a belief among Haiti's rulers that there are distinct limits to how far the United States is willing to carry its campaign against them. According to people familiar with sentiment on the island, there is widespread feeling there that if the dictatorship sits tight, Washington will eventually wear it of the struggle.

To back up that view, Haitian leaders reportedly cite U.S. unwillingness to plug the leaky embargo with a naval blockade or even to cut the transportation links that permit many Haitians to fly to Miami or other Caribbean ports and return with suitcases full of embargoed goods. The United States, they note, has also chosen not to make an issue of the European Community's refusal to honor the trade aspects of the embargo.

Many diplomats said in retrospect that the United States also made a serious mistake when it modified the embargo to permit American businesses with assembly operations on the island to keep doing business. That move was dictated by the fact that these businesses were originally induced by the U.S. government to invest in Haiti and were providing jobs for many of the country's poorest people. But these nuances were lost on a Haitian government and public that interpreted the move as further proof of U.S. unwillingness to stay the course.

The government's critics argue that tougher action is necessary to make an impression on the Haitian military. But American officials said that some of the more drastic courses being suggested, such as establishing a blockade or even sending a military force onto the island, are not in the cards. Other nations are unwilling to go that far, the officials said, and in the absence of clear-cut domestic and international support, Mr. Bush has no intention of resorting to military action in an election year.

The most immediate step, the officials said, will be a stronger effort to enlist EC support for the embargo. But, they warn, many EC members are reluctant to cooperate because of the effects this would have on the Lomé Convention, which grants former colonies of EC countries trade preferences within the Community.

Advocacy Groups Fight Bush's Refugee Order

By Al Kamen
Washington Post Service

WASHINGTON — Refugee advocates, denouncing President George Bush's decision to return all Haitian refugees found on the high seas as a violation of international and U.S. law, said they would try to undo it — either in federal court or through legislation.

Critics of the policy, who acknowledged that it would be difficult to persuade either Congress or the judiciary to overturn it, also said the move could damage multinational efforts to encourage countries to accept refugees.

The first legal challenges might be made in the next few days, according to lawyers involved in planning the efforts. Lawyers for the refugees will very likely ask a federal judge to halt the repatriations; they would argue that the lack of any procedure to even consider claims for asylum violates international and U.S. law.

U.S. officials said they were confident that, while they might lose in lower courts, the Supreme Court would ultimately back the government's right to do as it pleased in foreign policy.

Mr. Bush said Sunday that because refugee facilities at Guantanamo Bay, Cuba, were full, the Coast Guard was to intercept Haitian refugees at sea and force them back to their island home. The first group was returned Tuesday; 587 more were returned Tuesday. Haitians have been fleeing in intermittent waves since a coup on September 30 overthrew President Jean-Bertrand Aristide.

Refugee advocates and congressional critics said there were not enough votes in Congress to change the policy.

United Nations officials, worried about the implications of the U.S. policy, which they see as a violation of international agreements met Tuesday in Geneva. One concern is that it appears that some of those leaving may be bona fide political refugees, said Victoria Butler, spokeswoman for the UN High Commissioner for Refugees in Washington. "What happens to these people?"

Perot Makes a Mark, Even Off the Ballot

Compiled by Our Staff From Dispatches

WASHINGTON — With easy primary victories in Arkansas, Kentucky and Idaho, Governor Bill Clinton has drawn close to the majority that will make him the Democratic presidential nominee.

And President George Bush, already assured of the Republican nomination, extended his unbroken string of triumphs in the same primaries, overwhelming the fading challenge of Patrick J. Buchanan, the conservative newspaper and television commentator. Mr. Bush took 87 percent of the Republican votes in Arkansas, 74 percent in Idaho and 64 percent in Kentucky.

But the most striking development on Tuesday's voting was the fact that Ross Perot, the independent and unannounced presidential candidate, demonstrated his strength without making an appearance on the ballot.

A write-in vote for Mr. Perot in preference to either of the major party leaders surfaced a week ago in the Oregon and Washington primaries. There was no provision for write-in votes in either Arkansas or Kentucky, although Mr. Perot ballots could be counted in Idaho.

In Kentucky, where Perot organizers sought to bring votes as a show of support for their man, Buchanan drew 28 percent of the Democratic vote and 26 percent of Republican ballots.

In last week's Washington state primary, Mr. Perot captured one vote of every five cast, according to unofficial partial returns.

The write-in ballots from the other primary last week, in Oregon, have not been counted yet. But election-day polling by the television networks indicated that Mr. Perot took about 15 percent of the Republican vote and 13 percent of the Democratic ballots there.

Those exit polls also showed dissatisfaction with both prospective tickets, and substantial general election sentiment for Mr. Perot among voters of both major parties.

That exercise may be repeated next week, although neither California nor Ohio, the biggest states voting then, will count Perot write-ins.

In the six-state primary finale next Tuesday, Mr. Clinton's overwhelming lead will become a mathematical lock on first ballot nominations. He now has 1,977 delegates, with 2,145 needed for the nomination.

His only remaining challenger, Edmund G. (Jerry) Brown Jr. has 394 delegates. Mr. Clinton won 68 percent of the primary votes cast in Arkansas, to Mr. Brown's 11 percent, had 56 percent of the Kentucky vote to Mr. Brown's 8 percent, and in Idaho he attracted 50 percent of the ballots to Mr. Brown's 17 percent. Mr. Clinton needs only 30 percent of the 788 delegates at stake in the last nine states.

So the major party contestants are set. The challenges of Mr. Buchanan on the Republican side and of Mr. Brown on the Democratic one have faded into symbols.

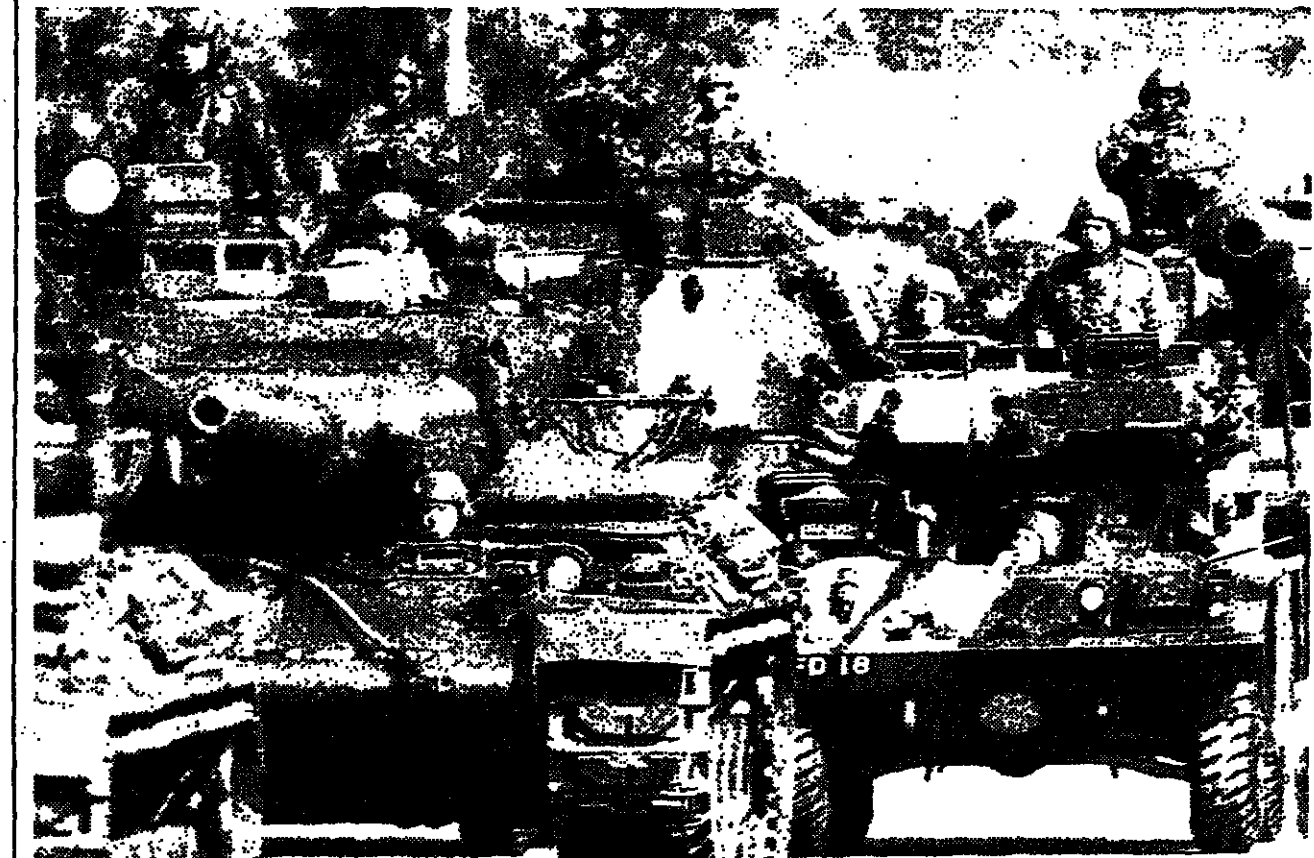
"If you don't like what's going on in the White House and what's going on in the Congress, vote Patrick Buchanan and they will get the message," Mr. Buchanan said while campaigning in New Jersey.

Mr. Brown challenged Mr. Clinton to debate him before the California primary on June 2. "As long as we are having elections here, we ought to give the people a continuing exposure to the differences," said Mr. Brown, the former California governor.

Mr. Clinton already is looking beyond his sole surviving Democratic campaign rival, to the themes and issues of his campaign against Mr. Bush.

But Mr. Brown said Mr. Perot has "marginalized" the Clinton campaign. "If Clinton doesn't get back into the spotlight of public attention, he's going to drive his party down to terminal defeat," Mr. Brown said.

Mr. Clinton said "there's nothing I can do about" the Perot threat at this point. "I'm not out there running against him," he said. (AP, UPI)



U.S. Tank Crews Bid Good-Bye to the Cold War and Berlin

Units from the 6th Battalion of the 40th Armored Brigade, the force that confronted Soviet tanks, cannon to cannon, in October 1961, rolling through the city Wednesday in a farewell parade. The confrontation nearly 31 years ago erupted after East Germany, with Soviet help, put up the Berlin Wall to halt a flood of escapes. Under the German reunification agreement, all Allied troops must quit Berlin when the last of the Soviet troops in Germany have left by the end of 1994.

California Campaign Ads Go for the Jolt

By Elizabeth Kolbert
New York Times Service

LOS ANGELES — The beating of a white truck driver in the Los Angeles riots. A black woman denouncing mob rule. Rivers running pink with toxic chemicals. An aborted fetus.

It takes a tough advertisement to fight its way through the television clutter here these days, so it is not surprising that aspirants in California's Senate primary have resorted to some pretty high-voltage images to promote their candidacies.

But in one of the paradoxes of the modern media campaign, the more graphic images the candidates use to distinguish themselves, experts say, the more they risk seeming routine.

"They look like candidates who meet the usual stereotypes; they'll do anything for votes," said Shanto Iyengar, a professor of political science and communications at the University of California in Los Angeles. "They'll even capitalize on riots."

Perhaps because there are so many candidates to cover — there are a dozen major candidates just for the U.S. Senate — or perhaps because there has been so much other news in California recently, candidates running in the June 2 primary cannot count on getting much media exposure except through their own paid advertising.

This has added to the already substantial significance of 30-second spots and has placed a premium on commercials that somehow manage to rise above the din.

To this end, some candidates have recently added scenes from the riots to their campaign visuals. In the Senate primaries — there are two open Senate seats — one candidate, state Comptroller Gray Davis, is using footage from the beating of Reginald Denny to illustrate his message of law and order.

Another Democratic candidate, Representative Mel Levine, has enlisted the help of a black official, former Representative Yvonne Burke, to articulate the same theme.

"A few thousand criminals terrorized Los Angeles and poor people were the worst victims," Ms. Burke says in an advertisement for

Mr. Levine. "I want strong law enforcement. That's why I'm for Mel Levine."

The commercials for Mr. Davis and Mr. Levine, Democrats who are running for different Senate seats, were produced by the same media firm, BAD Campaigns, and have a similar tone and even similar lines.

Their insistent theme of law and order is one that has worked for many Californians in the past, including Richard Nixon and Ronald Reagan. But it is not at all clear that it is working now, even at a time when the state might be expected to be particularly enamored of safe streets.

Mr. Davis, who is running against former Mayor Dianne Feinstein of San Francisco, is still lagging far behind, while Mr. Levine is fighting a tough three-way race against Representative Barbara Boxer and Lieutenant Governor Leo McCarthy.

"Both of them are trying to capitalize on what they believe is an insecurity," Mr. Iyengar said of Mr. Davis and Mr. Levine. "But they may have miscalculated. The riots are an old story. The new story is jobs and the economy."

Tokyo Is Said to Drop Plan For Fast-Breeder Reactors

United Press International

TOKYO — Japan has decided to give up plans to build fast-breeder reactors that would produce plutonium, a material that can be used in both nuclear power plants and nuclear weapons, the Tokyo daily Yomiuri Shimbun reported Wednesday.

The Science and Technology Agency and the Power Reactor and Nuclear Fuel Development Organization made the decision in response to international criticism of Japan's nuclear program, the newspaper said without mentioning sources.

To reduce its dependence on imported fuels, Tokyo embarked on a plan to build fast-breeder reactors, which produce more plutonium than they consume.

That fuel can then be used to fire other reactors, creating what experts hope will be a highly efficient fuel cycle.

The government has built a \$4.5 billion fast-breeder reactor in Tsuruga in central Japan, that is scheduled to go critical in October.

Japan's strategy came under criticism in mid-April when the International Atomic Energy Agency told Japan that its program could pose "political and security problems" in Asia and urged that the

plutonium stockpiles be placed under international custody. The worry is that fuel shipments to Japan could be lost in terrorist attacks and that keeping track of the huge amounts of plutonium Japan plans to reprocess could prove impossible.

An official at the Science and Technology Agency acknowledged that scientists had begun to study the possibility of converting the experimental reactor in Tsuruga into a fast reactor that would not produce plutonium.

But the official said that no decision had been made yet about the entire program.

Abandoning plans for breeder reactors would not mean Japan would give up its commitment to an energy policy focused on plutonium.

In April, Takao Ishiwatari, who heads Japan's plutonium development program, acknowledged that nuclear arms-reduction plans by the United States and the republics of the former Soviet Union should create a sufficient supply of plutonium, eliminating the need for fast breeder reactors.

But he reaffirmed Japan's policy of building power plants that use plutonium.

Rockefeller of New York in 1964 has there been a vote on a platform issue at a Republican convention.

Since 1980, the Republican platform has advocated a constitutional amendment to protect "unborn children," opposed government financing of any organization at home or abroad that supports abortion and favored appointment of federal judges who believe abortion is not a constitutional right.

"The unborn child has a fundamental individual right to life which cannot be infringed," the 1988 platform states. Although some Republicans have openly objected to those planks, the opposition has always been muted.

But the likelihood that the Supreme Court will erode, if not completely overturn, abortion rights in the next few weeks has made the question a much more political one than in past years.

The court is reviewing a Pennsylvania law that restricts abortions, requiring among other things that wives notify their husbands of planned abortions.

The possibility that the court will use that case to curb access to abortion further has led Republicans who favor legal abortion to begin questioning in earnest whether their party's stand is wise.

For example, Governor William F. Weld of Massachusetts, one of several prominent Republicans who are outspoken in favor of abortion rights, sent a statement to the platform committee asserting that "if the party retains its inflexible, anti-choice position, I fear we run the risk of shutting out potential leaders, losing touch with mainstream America and forfeiting our role as the bulwark against govern-

ment intrusion and the champion of individual freedom."

Still, nothing is likely to happen, at least not by the time the Republican National Convention is held in Houston in August.

Ultimately, every plank, every sentence, every comma in the Republican platform will be written over the week before the convention by President George Bush's staff, and the president is adamantly against any change in the party's position, a point repeated Wednesday by Marlin Fitzwater, the president's spokesman.

Ms. Stone and her followers say they hope they can at least force a floor vote on the issue at the convention to exhibit their strength and perhaps pave the way for a change in the 1996 platform. But even that seems improbable.

Under Republican rules, a vote will take place only in two circumstances: if at least 25 percent of the 107-member platform committee wants one, or if a majority of at least six state delegations call for a vote.

The Bush camp has stalled the platform committee, so a call for a vote there is out of the question. Ms. Stone says she has four state delegations locked up and seven or eight others that she may be able to persuade, but others on her side say they doubt that is the case.

Unlike the situation in some parliamentary democracies, American party platforms are binding on no one, so some politicians say they are unimportant. Others say, however, that platforms do outline in the broadest strokes the basic differences between the parties and thus fulfill an important purpose.

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Russia to Withdraw Forces in Moldova

Reuters
MOSCOW — President Boris Yeltsin said Wednesday that he would pull the 14th Army out of Moldova, where officials have accused it of backing a Slav separatist campaign, the Interfax agency reported Wednesday.

Mr. Yeltsin, visiting the Altai Region, pledged to residents there that Russia would not be drawn into a war over Moldova.

"Don't worry, there won't be a war," he said. "We will pull back the 14th Army to Russian territory and will not permit Russia to be dragged into war."

Mr. Yeltsin said Moscow was committed to resolving all conflicts through peaceful means, and he said the Commonwealth of Independent States remained a viable political body. Both Russia and Moldova are members of that successor to the Soviet Union.

Mr. Yeltsin's vow on the 14th Army, now under Russian jurisdiction, appears to be part of an improving climate in Moldova — one

of the worst of the ethnic hot spots inherited from the Soviet period. Moldovan authorities and Slav rebels in the breakaway Dnestr region have agreed on a cease-fire ahead of peace talks this week, Moldovan radio said Wednesday.

More than 100 people have been killed since March in the conflict between the Romanian-speaking majority and Slavs in the self-styled Dnestr Republic on the left bank of the Dnestr.

The mostly Russian-speaking Slavs fear that Moldova will eventually unite with Romania and they will become second-class citizens.

Most of Moldova was part of Romania until it was incorporated into the Soviet Union in 1940 under a pact with Nazi Germany.

The latest round of peace talks was scheduled to take place in the Moldovan capital, Kishinev, on Friday between the foreign and defense ministers of Russia, Moldova and Ukraine, a Russian Foreign Ministry spokesman told Interfax.



HIGHWAY TRAUMA IN BRITAIN — Police officers on a road between Birmingham and Coventry examining the wreckage of a crash in which five people died on Wednesday. Among the victims were a truck driver and the driver and passenger of a taxi.

Arabs Feel Boycott Of Iraq Is Harsh, League Head Says

By Caryle Murphy
Washington Post Service
CAIRO — The Arab nations would like, "without exception," to see an easing in the suffering of Iraq's people under international sanctions, according to the top official in the Arab League.

The official, Secretary-General Emad Abdel Meguid of Egypt, said he hoped this could be achieved once Baghdad had freed the Kuwaitis it has been holding since the invasion in 1990.

Although not explicitly calling for lifting the UN sanctions imposed after Iraq occupied Kuwait, the remarks of the Arab League chief, made at a news conference this week in Paris, appeared to favor at least a partial lifting of the economic restrictions.

As such, it is the first high-level public call for relaxing the UN embargo by a senior Arab official, whose constituents include countries that fought against Iraq in the Gulf War.

In Cairo, an aide confirmed the remarks, saying that the former Egyptian foreign minister had said "the blockade of the people of Iraq must stop" and that the Kuwaiti "prisoners must leave Iraq."

Mr. Meguid's comments come as the political survival of President Saddam Hussein in Iraq has now become an accepted reality for governments in the region and in the West.

There is widespread realization that he is most likely to be around for some time, especially given the diminished appetite of Washington and the Arabs for any military operation to oust him.

Mr. Meguid's comments also reflect sympathy among Arabs for the Iraqi people, who many see as victims being punished without cause.

This sentiment was reinforced recently with UN sanctions on Libya for its refusal to surrender two suspects in the 1988 terrorism that destroyed an American airliner over Scotland. The sanctions ban air traffic and military sales to Libya.

Arab officials say the quick imposition of UN sanctions against two Arab countries — while similar action is not taken against Israel for its occupation of the West Bank

and the Gaza Strip or against Serbs for their assault on Muslims in Bosnia — has created an impression that the Western powers are anti-Arab and anti-Muslim.

At the same time, many Arab officials, particularly in the Gulf area, say they fear that a total release from sanctions would permit Mr. Saddam to rebuild his arsenal and become a threat again.

Another review of the sanctions by the Security Council is due May 28. Three members, Britain, France and the United States, have been adamant that the sanctions not be lifted until Iraq complied fully with all terms of the cease-fire resolution.

Obligations still unfulfilled by Iraq include a full accounting of its nuclear-weapon program, acceptance of long-term UN monitoring of its civilian industries to ensure that banned weapons programs were not restarted, and more humane treatment of its people, especially minority Kurds and Shiites.

Baghdad insists it holds no more Kuwaitis, Kuwait has given the International Committee of the Red Cross a list of 850 people it believes may be in Iraqi detention.

Opposition Wins A Test in Kuwait

Reuters
KUWAIT — Government opponents here won an overwhelming majority in elections for the Kuwait Chamber of Commerce, widely seen here as a test for general elections in October.

Followers of the former chamber president, Abdul Aziz Saqr, won all but one of the 24 board seats, defeating a group of influential businessmen, according to the final results published late Tuesday.

Mr. Saqr, a leading member of a family that controls a liberal daily, Al-Qabas, and his supporters represent the traditional merchant class that has been the backbone of opposition to the ruling Sabah family.

Information Minister Badr Jassem Yacoub, denied however, that the center, Sheikh Jabar al Ahmed al Sabah, had supported Mr. Saqr's opponents, as erroneously reported by Reuters on Tuesday.

WARNING: Trade Impeded

(Continued from page 1)
the disappearance of any social safety net.

Touring factories and shops in Siberia on Wednesday, Mr. Yeltsin responded to complaints by saying, "It's not my way to deceive people." He acknowledged that prices would rise further.

But he also assured Russians that he was not knocking under to the International Monetary Fund and other Western organizations, to which Russia has appealed for billions of dollars in aid.

"I did not risk freeing energy prices, although the International Monetary Fund pressed us strongly," Mr. Yeltsin said. "I said, 'Do not dictate to us. We will carry out our own policies — not you.'"

Mr. Eagleburger emphasized that private investment, and not just government aid, would be needed to help the 15 nations of the former Soviet Union surmount their deep economic crisis. And he seemed eager to allay some common Russian fears, nurtured during decades of Communist propaganda, when he said that American businesses coming to Russia would not be "robber barons," but "responsible firms."

Major Will Press For Prague in EC

Reuters
PRAGUE — Prime Minister John Major of Britain, preaching a message of an expanded European Community, promised Wednesday to work to bring Czechoslovakia into it.

Mr. Major, on a tour of Czechoslovakia, Poland and Hungary, said he would like to see EC association agreements with the three nations, signed in December, put into effect even before they are formally ratified.

Many Western politicians fear the fragile emerging democracies, faced with economic problems as they switch from a communist to a market system, could lose heart unless Western nations help them.

Mr. Major plans to visit Britain's six-month EC presidency, starting in July, to work on widening the Community.

SANCTIONS: EC Vote on Serbia

(Continued from page 1)
stopped for short of a list of possible sanctions drawn up the night before by EC national experts meeting in Brussels, although diplomats sought to portray the decision as an aggressive one.

There was some misunderstanding that all the items on the menu drawn up last night were urged for adoption," an official said.

"The national experts said that some steps were easy and sensible and some were more difficult."

There was a general sentiment that a Community oil embargo would be ineffective unless part of a similar step by the United Nations, officials said.

According to figures supplied by the EC Commission, China and Russia each supply 22 percent of Serb oil needs, Iran 15 percent and Romania 13.

European Community suppliers provide less than 12 percent.

The EC, critics fear, is timid approach to the crisis last year in Yugoslavia, has been under pressure from the United States and other nations to adopt tough steps against Serbia, in particular, for its aggressive behavior in the fighting in Bosnia-Herzegovina.

In a separate meeting in Brussels

ATTACK: Sarajevo Shoppers Die

(Continued from page 1)
mountain slopes to the south of the city center that are controlled by Serbian gunners, hit the main maternity hospital. The hospital was set ablaze, and 200 mothers, medical staff and infants were forced to take refuge in the building's basement.

The Yugoslav crisis has increased pressure for NATO to relax its strict prohibition against operations outside its geographical area.

Although the United States has pressed for sanctions, Defense Secretary Dick Cheney has said that Washington has no plans to send troops to Yugoslavia.

The North Atlantic Treaty Organization's traditional policy has been to limit using its forces to crises on alliance territory. The new policy would give the 16-member alliance a new role in the post-Cold War era.

Under the proposal, NATO soldiers could be sent on peacekeeping missions mounted by the 51-nation Conference on Security and Cooperation.

"I would not expect that all governments would participate in all operations or that the United States would participate in each one," Mr. Cheney said.

PEROT: Search for Silver Lining?

(Continued from page 1)
according to opinion polls, are the white, suburban, nonideological voters who have been a critical part of the Republican coalition throughout the 1980s. Once detached from Mr. Bush, they may be hard for the party to woo back, even if Mr. Perot's appeal is diminished.

"We regard this as another example of the breakup of the Republican presidential majority that operated throughout the 1980s," Mr. Tully said.

Four years ago, Mr. Bush was also trailing in the polls, but his campaign, at least, was putting its own spin on the loss. The Bush campaign, at least, was putting its own spin on the loss. The Bush campaign, at least, was putting its own spin on the loss.

By June 1988, the Bush team had dismissed the results of focus groups with New Jersey voters and identified the sharp "values" theme that would later focus on the deprecations while on forlorn of a Massachusetts prisoner, Willie Horton; on Mr. Dukakis's membership in

IRAQ: A Flood of Bogus Money

(Continued from page 1)
printed in Israel, the United States or in Saudi Arabia," an Iraqi said.

Most stores in big Iraqi cities have acquired machines to detect fake currency, and many merchants have stopped accepting large-denomination bills.

Iraq accused Washington of masterminding a campaign to smuggle counterfeit currency into Iraq "to sabotage the Iraqi economy in cooperation with Iran and Saudi Arabia," according to a May 6 letter to the United Nations secretary-general, Boutros Boutros Ghali.

Counterfeit money was dropped by U.S. helicopters in the southern marshlands and other areas, according to the letter from the Iraqi foreign minister, Tariq al-Risawi.

The letter, reported by the Iraqi press agency INA and reprinted in Iraqi newspapers, said counterfeit money was entering the country through Turkey and Jordan as well.

A Saudi official concerned with the reports, saying that "all borders are being used."

CHAMBER: Weimar Art Mystery

(Continued from page 1)
landscapes and scenes from mythology.

The chamber took master craftsmen years to fashion. In 1755 it was installed in a palace owned by St. Petersburg, where it remained until German invaders captured the palace in 1941. The Germans dismantled the Amber Chamber, which Hitler hoped to make the centerpiece of a museum, and shipped the pieces to Königsberg.

When the Soviet Army began closing in on Königsberg, Koch sent a convoy of trucks out of the city with looted art. Its destination was Weimar, the hometown of Martin Bormann, Hitler's deputy, who had helped organize the confiscation of art.

Weimar is in the heart of Germany, and Bormann and other senior Nazis reportedly hoped to make it last stand in the area or use the art in efforts to deal with the Allies.

Whether the Amber Chamber was part of the cargo that reached Weimar is not known. The convoy manifest includes a reference to an

amber candelabra." It also lists pages of vaguely described paintings, figurines and other objects.

A museum director in Weimar signed for the cargo, but later testified that German soldiers removed it after two months. Researchers have determined, however, that all roads around Weimar were under Allied troop control by then. They believe the museum director lied in an attempt to guard the treasure.

Interest in the Amber Chamber was revived in November when Boris N. Yeltsin, the Russian president, asserted on a visit to Germany that he knew where it was concealed. It is "buried in cases" somewhere in East Germany, he said, but refused to elaborate.

Much of the new evidence is being generated by Hans Staudemann, a pensioner who has devoted years to the search. His living room is filled with notebooks, files, architectural plans and documents.

"Some people who may have neo-Nazi sympathies don't want to see that past revived again," an official said.

INTERNATIONAL CLASSIFIED

Today's
INTERNATIONAL RECRUITMENT
Appears on Page 7

PERSONALS
MOVING
ANNOUNCEMENTS
DUTY FREE SHOPS
ANIMALS

REAL ESTATE FOR SALE
REAL ESTATE TO RENT/SHARE
EMPLOYMENT POSITIONS AVAILABLE
AUTO RENTALS
LEGAL SERVICES
STAMPS & COINS
EDUCATION

PERSONALS
MOVING
ANNOUNCEMENTS
DUTY FREE SHOPS
ANIMALS

ATTENTION EXECUTIVES
FINANCIAL SERVICES
REPRESENT
PRUDENTIAL INSURANCE COMPANY OF AMERICA
BUSINESS SERVICES
INT'L ENGLISH TEACHING CAREERS
GENEVA SWITZERLAND
THE AMERICAN UNIVERSITY OF PARIS
MOVING

BUSINESS TRAVEL
FINANCIAL SERVICES
REPRESENT
PRUDENTIAL INSURANCE COMPANY OF AMERICA
BUSINESS SERVICES
INT'L ENGLISH TEACHING CAREERS
GENEVA SWITZERLAND
THE AMERICAN UNIVERSITY OF PARIS
MOVING

THE AMERICAN MBA IN PARIS
ESCORTS & GUIDES
ESCORTS & GUIDES
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كازمان الامل

HEALTH / SCIENCE

The Costs of a Multiple Baby Boom

By Elisabeth Rosenthal
New York Times Service

NEW YORK — Late last year doctors at Saddleback Memorial Hospital in Laguna Hills, California, held an emergency planning session to confront a happy problem: four sets of triplets, all due in one 10-day period. "We had to have 12 respirators, extra nurses, extra lab techs, and we still had to accommodate the other high-risk births," said Dr. David Lagrew, the babies' obstetrician. A decade ago, four sets of triplets due in a 200-bed hospital in such a short period might have qualified for the Guinness Book of World Records, but no longer. That is largely to the growing number of couples in fertility treatment, the number of twins, triplets and quadruplets on the rise. Two decades ago an obstetrician might not have seen a set of triplets in his entire career, Dr. Lagrew said. "I delivered seven last year and have another three in progress." The Triplet Club of Cincinnati is adding 20 or 30 families a year. "For couples who have struggled with infertility, the arrival of these hard-won children is an occasion of joy. But since multiple-birth babies are almost always premature and frequently have medical problems, it is also a source of concern. Health economists worry about the huge costs of caring for this recent increase of premature infants, who sometimes need months of intensive care, only to emerge with disabilities. And pediatricians say that the already difficult task of caring for more than one infant can become overwhelming if the infants are frail. As a result, some doctors now feel that fertility specialists must be less aggressive in treating their patients, producing fewer successful pregnancies per try, but fewer multiple births as well. This is a public health problem because we are producing an incredible number of children who are at grave risk for prolonged stays in the neonatal intensive care unit and all of the complications of prematurity," said Dr. Louis Keith, professor of obstetrics at Northwestern University Medical School in Chicago. In a case that is all too typical, Barbara and Scott Cameron of Cincinnati had triplet girls, born 15 weeks premature last August, after numerous attempts at in vitro fertilization, or IVF. All of the girls weighed less than 2 pounds at birth and spent more than 10 weeks in intensive care, most of that time on ventilators. Although the three girls are now home, they all have vision problems. One, who has some degree of brain damage, must stay tethered to an oxygen tank. "You go through eight years of IVF and think, 'I'm finally over all this torture,' and then you have to deal with prematurity," Ms. Cameron, an engineer, said in a recent telephone interview. "It's been a really difficult time and I

The Risks of Being A Twin or Triplet

New research is outlining just how dangerous it is to come into the world in a multiple birth. Because multiples are usually born prematurely, they are at higher risk for many problems, including bleeding in the brain, breathing difficulties and impaired vision. According to calculations by Dr. Barbara Luke of Rush Medical College in Chicago, triplets are almost three times as likely to have a severe handicap as babies born alone.

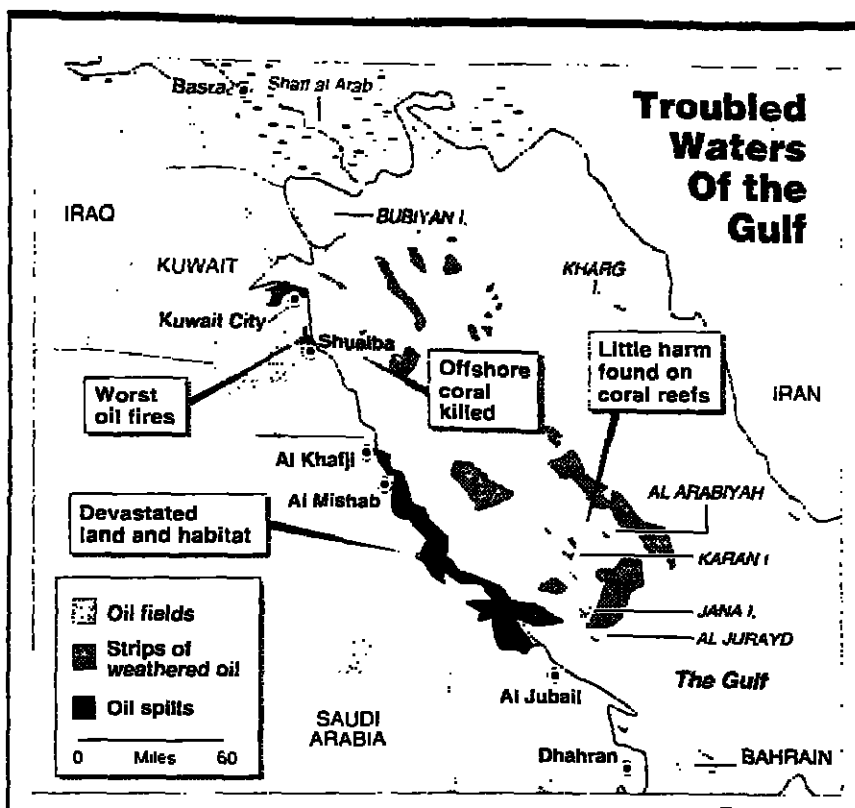


	Singleton	Twins	Triplets
Very low birthweight* (3.3 lbs. or less)	10.3	98.7	336.3
Low birthweight* (5.5 lbs. or less)	59.2	502.0	911.8
Mortality*	8.6	56.6	166.7

*Rate per 1,000 live births
Source: Dr. Barbara Luke, presented at the 13th Congress of the International Federation of Gynecology and Obstetrics, to be published by the Journal of Reproductive Medicine.

Dr. Papiernik's "second epidemic," which he says began in the mid-1980s, is attributable to in vitro fertilization. In this technique, women are given high doses of Pergonal, a powerful drug that induces multiple eggs to develop. Doctors then harvest the eggs in a simple surgical procedure, and they are fertilized in a laboratory dish, yielding embryos that can be placed in the uterus. On average worldwide, 20 to 30 percent of the pregnancies conceived through this technique result in multiple births and 3 to 5 percent are triplets or more, Dr. Papiernik said. But these statistics vary widely and correlate with the number of embryos transferred. At the Laguna Hills Clinic, where fertility experts generally place four fertilized embryos in the uterus, the multiple gestation rate is 28 percent. At the Genetics and IVF Institute in Fairfax, Virginia, where doctors have been placing only three embryos since 1988, only about 15 percent of women become pregnant with twins and only 1 percent with triplets. Some clinics suggest that women pregnant with triplets or more should "reduce" the pregnancy through selective abortion, but many infertile couples find that option unacceptable.

BECAUSE birth certificates in the United States do not list how a child was conceived, it is not clear exactly what fraction of the multiple births in this country is due to fertility treatment. But in Belgium, where such information is available, an estimated 80 percent of the nation's triplets were conceived after fertility drugs were taken. And researchers in several European countries have found a direct correlation between the number of prescriptions for these drugs and the number of multiple births. In the United States, "the phenomenon is exaggerated in the upper-middle class who have the wherewithal to do it," Dr. Keith said. For infertility specialists and their patients, the urge to use higher doses and more embryos is only natural. "To a point if you use more embryos you are more likely to get pregnant, but the price you pay is a higher multiple gestation rate," said Dr. Joseph D. Schulman, director of the Genetics and IVF Institute in Fairfax. The pregnancy rate for two embryos is 15 percent, for three it is 20 percent and for four it is 23 to 25 percent. Great advances in caring for high-risk pregnancies and infants have made the increase of multiple births possible. "My grandmother had triplets but they didn't survive," said Janet Bleyl, the mother of 8-year-old triplets and president of a thriving support group called the Triplet Connection, based in Stockton, California. Today, with intensive and expensive care, twins have survival rates nearly comparable to single births. And with even more intensive and expensive care, the outcome for triplets is almost as good as that of twins.



Scientists aboard a research vessel are studying spill areas in the Gulf.

In the Gulf's Depths, Surprising Resilience

By John H. Cushman Jr.
New York Times Service

BOARD THE MOUNT MITCHELL, in the Gulf of Arabia, a multifarious alliance is resisting the onslaught of a monolithic enemy that invaded 16 months ago. The invader was the oil slick discharged during the Gulf War last year — at 6 million barrels or more, by far the most oil ever spilled into a nearby closed body of water. The resistance: countless marine species struggling for survival. For the forces of life, the news from the front has been surprisingly good. At least that is the conclusion of many scientists taking part in a 100-day expedition by the Mount Mitchell, a research vessel of the National Oceanic and Atmospheric Administration that has been operating in the Gulf since February. Even as hundreds of miles of Saudi Arabian beaches and coastal shallows suffocate under thick mats of congealing tar that laid waste to fertile flats between the high and low tidal lines, in deeper waters the damage from the spill is hard to detect. "Life in the intertidal zone, where the heaviest oil came, has been eliminated in many cases," said Dr. Robert Clark of the oceanographic agency, the expedition leader aboard ship. "But subtidally, it looks as one would expect to see in a healthy community."

A reporter steaming through the Gulf for nine days with 24 scientists on the Mount Mitchell helped collect hundreds of evidently healthy specimens from coral reefs, fishing grounds, pearl beds and shallows, just off the shores of tiny Saudi islands that carry the scars of the spill. Although in some areas globules of oil bobbed in the currents, perhaps fresh from oil rigs on the horizon, among the deeper reefs there was no visible sign of oil. Asked what surprised him the most after diving about a dozen times in a week, Dr. Mark Eakin, a biological oceanographer from the agency, described the branching antlers of staghorn coral he had seen. "Nice, healthy Acropora growing in 2 feet of water, 10 or 15 yards from the water's edge, where there was tar in the sand, tar balls on the beach, tar floating in the water — healthy, happy coral. Or I should say, apparently healthy and happy." But at the very end of the nine-day leg of the trip focusing on coral reefs and fisheries, the scientists found disturbing evidence of what may have been war damage on a reef just off the Kuwaiti port of Shuaiba, near oil fields that were set afire in the war and just south of where most of the spilled oil entered the Gulf in January 1991. Here there were clear signs of coral mortality: The staghorn coral was bleached, and the domes of brain coral were shedding their living tissues as the swift current scoured them with briny sediment. Scientists said the death almost certainly occurred within the last year and a half. But there was no visible residue of oil in the water, and scientists could not be sure whether the death was a result of spilled oil or of dark skies and cool water associated with the Kuwaiti oil fires last year, or of fallout from the smoke, untreated discharges of sewage or some other factor. This kind of damage makes Dr. Sylvia Earle, until recently the agency's chief scientist, more cautious than some who marvel at the Gulf's resilience. "It is a permanent change," she said. "It will recover, but it will be different." The biggest problem in interpreting what biologists are discovering is that little was known about the condition of the Gulf before the war. "We don't know what is missing," Dr. Earle said. What is surviving, however, was enjoying a binge of procreation. Sea turtles, among the Gulf's endangered species, circled the sandy islands where before long they will bury their eggs. The corals were primed to spawn. The bellies of female emperor fish bulged with roe. From a trawling net spilled handfuls of grape-like transparencies — fertilized eggs, each containing an embryonic cuttlefish. THE cruise will provide data for marine scientists to analyze for years. Information from underwater photographs, specimens of algae and heaps of sediment from the seabed, is recorded in a data base that the oceanographic agency and the Regional Organization for the Protection of the Marine Environment have pledged to make available to all. The Mount Mitchell has deployed current-measuring devices across the length and breadth of the Gulf, and day after day it takes measures of salinity, temperature and depth, information that will allow oceanographers to understand the Gulf better than before. By the time the cruise ends in June, about 150 researchers from 18 nations will have investigated a world whose veil until now had scarcely been lifted. The divers have collected animals representing at least 14 phyla, or broad divisions of animal types, and the number is rising. "There's not a rain forest in the world where you can find 14 phyla," Dr. Earle said.

Opposition Wins A Test in Kuwait

Opposition leaders in Kuwait won an overwhelming victory in a referendum to elect a new government. The vote was 99.5 percent in favor of the opposition, which had demanded a constitutional monarchy. The referendum was held on October 26, and the results were announced on November 1. The opposition coalition, led by the National Assembly, won 100% of the vote. The incumbent government, led by the Emir, was forced to resign. The new government is expected to be formed in the near future.

Yes, Men and Women Navigate Differently

By Sandra Blakeslee
New York Times Service

NEW YORK — By running male and female college students through mazes, a respected psychologist believes he has shown that men and women, like male and female rats, use fundamentally different strategies for navigating. Both the human and animal experiments suggest that females tend to rely on specific landmarks for moving through space, the researcher said. In driving to grandma's house, a woman turns right at the delicatessen, left at the library, right again at the big oak tree. "Men tend to rely on a more primitive sense of motion using remembered vectors, he said. In driving to grandma's house, a man cruises in one direction for five minutes and turns right, drives five or six blocks and goes left, then winds his way for about three minutes and turns right. Neither style of navigation is superior, said the researcher, Dr. Thomas Bever, a psychology and linguistics professor at the University of Rochester who is an expert on how biological variables, like sex or handedness, shed light on brain organization and behavior. Both men and women get from point A to B just as efficiently and neither sex gets lost more often than the other, he said. In addition, he said, there is a great deal of overlap; some women adopt the male strategy and vice versa.

"We are talking about tendencies, not destiny," Dr. Bever said. Sex differences in spatial navigation had been previously shown in rats, Dr. Bever said in a telephone interview, but this is the first demonstration in humans. The experiments were described last week at a symposium on sex differences in complex behaviors held at the University of Quebec in Montreal. The findings raise a host of intriguing possibilities: Might they explain why many men are loath to ask directions, even when they are obviously lost? Or why some women have trouble reading maps? Or even why boys more than girls seem to play with trucks? The findings "are awfully interesting," said Dr. Bruce McEwan, a leading expert on brain and sex differences at Rockefeller University. Having seen the rat results, he said, he was "not surprised" by the new findings. But Dr. Randy Gallistel, a leading authority on animal navigation at the University of California in Los Angeles, remains unconvinced. "Considering the utility of knowing where you are, I'd be skeptical that one sex leans more toward landmarks or dead reckoning than the other," he said. "But I know very little about the sex difference work." Such research rests on the premise that male and female brains are exposed to different sex hormones before birth and at critical periods later in life, said Dr. Melissa Hines, an assistant professor of psychiatry and biobehavioral medicine at UCLA. The hormones produce

slight variations in selected brain structures leading to a variety of behavioral differences, she said. Women, for example, are more facile at certain language skills because of the way their brains are organized. But there are no sex differences in general intelligence, Dr. Bever said, and discoveries of sex differences in the brain and behavior should not be misused for political ends. "There are atomic differences between steel and aluminum but either can be the material for an excellent armchair," he said. "Groups may differ in the way they tend to solve a problem but have functionally equal abilities." MOST mobile animals have a rudimentary mental map of the world encoded in nerve tissue that helps them figure out how and where to move, Dr. Gallistel said. While many species follow odors or other signals to navigate, birds, mammals and some social insects have to find their way back to the home nest and so have evolved two strategies, he said. They use dead reckoning — calculating a position relative to some known starting point by keeping track of how long they moved in what direction at what speed — and keeping track of landmarks. Dr. Christina Williams, an associate professor of psychology at Barnard College, was the first to discover that males and females tend to favor one strategy over the other in her experiments with rats. After replicating Dr. Williams's experiments

CROSSWORD puzzle grid with clues for Across and Down words.

Solution to Puzzle of May 27, listing words like ARAB, ETIAT, APRIL, DADIO, NIEMO, TRIADE, etc.

Advertisement for 'THE BELLE EPOQUE' book by Hebe Dorsey, featuring a vintage illustration of a woman and a hot air balloon. Text includes: 'Long-time Trib fashion editor, Hebe Dorsey went into the archives of the old Paris Herald... THE BELLE EPOQUE IN THE PARIS HERALD by Hebe Dorsey. First hand reports of the giddy, glamorous lives of turn-of-the-century international society and the events that influenced their lives.' Includes contact information for International Herald Tribune, Book Division.

Feel Boycott Is Harsh, Head Says

A Flood of Bogus Money

BER: Weimar Art Museum

INTERNATIONAL Herald Tribune

Protectionist Posturing

The Wrong Road

In their latest attempt to protect the American automakers from Japanese competition, the House Democrats are now pushing a genuinely dangerous idea.

American plants has risen. In response, Mr. Gephardt and the Democrats supporting him now want to extend the limits to both imports and the American factories.

Odious and Insidious

The European Community has taken what might be a historic step against protectionist farm policies. How are Democratic leaders in the U.S. House of Representatives responding to this dramatic opportunity for trade?

in Japanese-owned factories in America. Under the bill, the Japanese would be allowed to export more cars to the United States only if they also imported more cars from American-owned — but not Japanese-owned — factories in the United States.

A New Pentagon Paper

The revised version of a major Pentagon planning paper should restore a measure of calm to a rhetorical atmosphere that had been badly roiled by an earlier draft.

PARIS — Italy now has a president — Oscar Luigi Scalfaro, a veteran Christian Democrat known for his personal integrity and religious convictions — and it will soon have a new government.

Other Comment

Be Wary of Europe's Offer

The Europeans are masters at making a virtue out of necessity. The most recent instance of this is the new reduction in farm subsidies which the EC announced.

ductive bits of their land. The end result will certainly be a sharp increase in production per hectare, little decline in actual production and little decline in farm incomes.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINCIGUERRA, Executive Editor

Endangered People Trouble the West's Environment

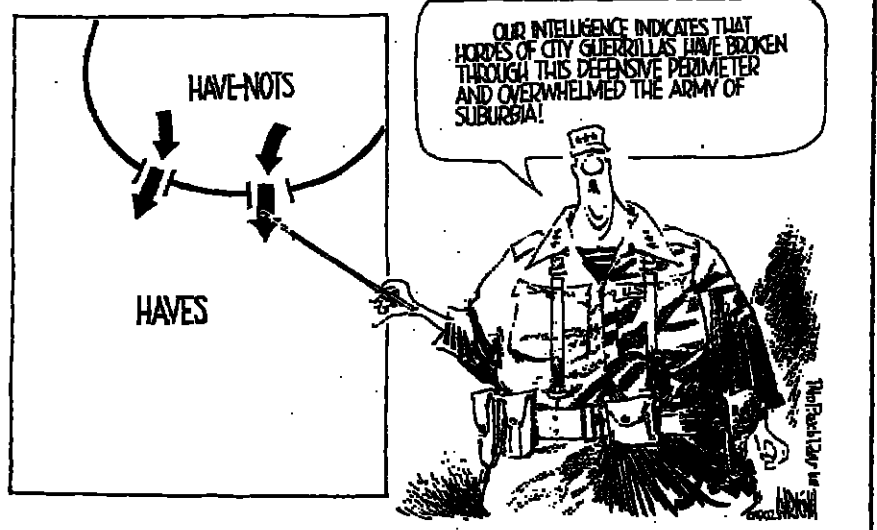
By Jim Hoagland

HELSENKI — The plight of Haiti's boat people is for America the cutting edge of a global flood of refugees and economic migrants. This rising tide of refugees is stirring political resentment and backlash across the developed world.

With the European Community, the North American free trade area and Japan's Asian investment sphere accelerating regional integration, the outsiders see a train leaving the station. They run to jump aboard, however they can.

With the European Community, the North American free trade area and Japan's Asian investment sphere accelerating regional integration, the outsiders see a train leaving the station.

funded and understaffed refugee organization. Enough common features connect the different parts of the refugee crisis to enable governments to talk to each other and to their publics candidly about targeting aid, investment and trade in a coordinated way to encourage would-be economic refugees to stay put.



Japanese Vitality and Innovation Are Good for the Rest of Us

By Jonathan Rauch

WASHINGTON — In the conventional wisdom of popular economics, commerce is like warfare. That is a core belief of economic nationalism: If they are winning, then we must be losing.

think we know how bad we were," the owner told The Wall Street Journal. Meanwhile, Japanese automakers have invested \$9 billion in American plants and are showing how to get higher productivity from workers.

Now they are teaching some of these techniques to American 7-Eleven, whose parent company, Southland Corp., they bought in 1991.

Germany's 26. Lagging productivity in the relatively sheltered service sector, not in manufacturing, is what drags down U.S. living standards.

Italy Needs Reform and an Allied Showdown With the Mafia

By William Pfaff

PARIS — Italy now has a president — Oscar Luigi Scalfaro, a veteran Christian Democrat known for his personal integrity and religious convictions — and it will soon have a new government.

This greatly influences the situation today. The postwar republic, which took the place of Mussolini's fascist state, was deliberately given weak central powers, with parliament elected by proportional representation, in re-echoing the fascist, people continued to look to their families and local communities not only for security but also for personal and professional advancement.

patriotism and of solidarity with one's fellow members of an oppressed community. The modern Italian republic has never decisively distinguished itself, at least in the south, from the oppressive foreign governments of the past.

years, and they have nearly all been allies. The Mafia has been thought directly to control a million popular votes, and to exercise a strong influence over another 2.6 million. No one can today be certain how far its infiltration of the parties and of the apparatus of state has gone.

Race Relations: American Police Could Learn From the Army

By David K. Shieler

WASHINGTON — Since the jury's unconvincing verdict in the Rodney King case, debate has erupted in the streets over the plight of the inner cities. But little attention has been given to a more specific problem that can probably be eased, if not solved: the anti-black behavior of many police officers.

Even black policemen, off duty, are instant suspects in the eyes of many white officers. Blacks out of uniform have told me of being stopped, searched, interrogated and humiliated before they have a chance to identify themselves as policemen.

among cops. Hubert Williams, head of the foundation and former police chief in Newark, New Jersey, said through his assistant that he had no thoughts on the subject.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1892: A Day at the Races MILAN — [On May 24] the competitive exhibition of riding and driving was, like the first day's races, favored with lovely weather.

كازان الاصل



The new golf course, set to open in the fall, is just one of Dubai's current leisure projects.

Projects Enhance Local Lifestyle

The living and working environment for the thousands of expatriates and the local inhabitants in Dubai and Jebel Ali is just as important as doing business and making money. Everybody is made to feel at home in Dubai, one of the most liberal emirates in the Gulf. These efforts are increasing.

"We are trying to make Dubai a human, living place for those who are here — foreigners and locals alike," comments an official from the Dubai Municipality, which is spending millions of dollars on city improvements like new parks, leisure centers and recreational facilities. The creek, with its colorful trading dhows, around which Dubai has developed, is now being

remodeled with walkways, small gardens with shrubs, flowers, ponds and fountains. There is greenery and color everywhere. A major new development is the construction of Dubai's second all-green championship golf course, which is being built alongside the creek. Due to open in the autumn, it has 18 holes and was designed by the U.S. golf architect Karl

Continued on Page 9

DUBAI and Jebel Ali

Business Is Booming in the Free Zone

One night last November, the sky was lit up by fireworks and the air reverberated to the sound of music from a British Royal Marines band as the recently created Dubai Ports Authority unloaded its millionth container at the twin port terminals of Jebel Ali and Port Rashid. Watching the ceremony were 3,000 VIPs from Dubai's shipping and business community, along with 2,000 DPA staff. They found much to celebrate.

Last year, the Dubai Ports Authority handled more than 1.25 million containers — a 37 percent increase over 1990 — and the largest rise in container handling at any port in the Middle East. General cargo throughput rose by more than 20 percent, to 20 million tons, during the same period.

While much of the world is going through a period of economic doldrums, Dubai, which stands at the crossroads of global trade between Europe and the Far East, is

67 trade missions visited Dubai in 1991

undergoing a surge of activity on multiple fronts, from construction to manufacturing to tourism. For it is not only in business but in leisure — now a vital part of Dubai's corporate development — that an upswing is taking place.

Increased international exposure is one of the factors that has helped boost Dubai's trade, comments Saeed al-Naboodah, president of the Dubai Chamber of Commerce and Industry. Last year, imports, exports and re-exports totaled \$12.3 billion, compared with \$10.8 billion in 1990. Locally manufactured goods accounted for \$730 million worth of exports — a record figure for the emirate. Some 67 trade missions from 37 countries visited Dubai in 1991.

Last year, non-oil trade (Dubai is not one of the oil-rich Gulf states, producing only about 600,000 barrels of oil a day) rose to 45.4 billion dirhams (\$12.3 billion), compared with a record 40 billion dirhams in 1990. Most of the local commercial banks have been posting increased profits in spite of the regional difficulties earlier under way. Emirates Bank International has taken an 84

percent controlling interest in Middle East Bank. The Bank of Oman is opening a branch in the Jebel Ali Free Zone banking complex and introducing more high-tech services for its customers.

More than 10 percent of all the world's sea-air cargo passes through Dubai. Duty-free sales at the International Airport, which is to undergo a multimillion-dollar expansion, are expected to exceed \$115 million by December. Five international-standard luxury hotels are on the point of opening, and a second all-green championship golf course is nearing completion. The Dubai-based Emirates airline is buying \$2 billion worth of new Boeing jets for its rapidly expanding fleet and opening a host of new routes. This will make the emirate a vital hub for air transport, serving a region with a potential market of 1 billion customers, just under a third of the world's total population.

A massive golf-ball-like dome atop the newly opened Etisalat headquarters near the creek-side Sheraton Hotel in Dubai dominates the skyline, a symbol of one of the life forces of Dubai's prosperity: communications.

This is one reason for the success of the free zone at Jebel Ali, where 382 companies were operating at the end of last March. Sultan Ahmed bin Sulayem, chairman of JAFZA, expects that there will be 1,000 companies in the zone by the end of the century. Among the latest batch of 30 companies to move in were five from India; three each from Britain, France and Saudi Arabia; and two each from the United States, Hong Kong, Germany, Pakistan and the United Arab Emirates.

"This is a very different picture from a few years ago, when the large majority of companies in the free zone were from nearby countries," comments Mr. Sulayem. "Also, there is now a higher proportion of distribution companies, which brings additional business to Dubai's ports, and manufacturing industries, which tend to represent larger capital investments."

There are plans for a major Saudi joint-venture refinery and gasoline-additive plant at Jebel Ali, as well as a phosphoric acid processing plant. Substantial capital industries already well-established include the Dubai aluminum smelter, the recently expanded Dubai Cable Company and Dugas, which processes natural gas for industrial use. Work is to begin shortly on an additional pipeline to bring 120 million cubic feet a day of dry gas from the Margham oil field to Jebel Ali in order to meet future demand.

One of the newest manufacturing projects is the Emirates Can Company, which will make up to 600 million soft-drink cans a year. It is a joint venture between the Ahmed Hamad Alghosabi & Bros. Co., the Pepsi-Cola bottler based in Saudi Arabia's Eastern Province, and the U.S. Crown Cork Group.



The Dubai Ports Authority is seeing the highest rise in container handling in the Middle East.

One area of the free zone covering 1 million square meters has been turned into a kind of "electronic city," where manufacturers from Japan, South Korea, Taiwan and the United States have established assembly and distribution facilities for their products. Sony Gulf, which arrived in 1989, is to double its warehousing space this year.

"It is an indication of how well distribution through Dubai is working for Sony," says Yoshio Kubo, Sony Gulf's managing director. The U.S. personal computer manufacturer AST decided to make Jebel Ali its Middle East regional center last year and is already expanding its facilities.

"Jebel Ali brings us closer to our customers, and Dubai has established an infrastructure to facilitate distribution in the Indian subcontinent and Northern Africa as well as countries of the Arabian peninsula," says Mirza Bastavi, general manager of AST Middle East.

One of the biggest Japanese companies to move in at the start of the year was Brother Industries, which has a

\$1.5 billion turnover in business machines, machine tools and domestic appliances. It joins other Japanese companies like Awa, Citizen, Matsushita, Mitsun and Toyo, which are all distributing products from Jebel Ali.

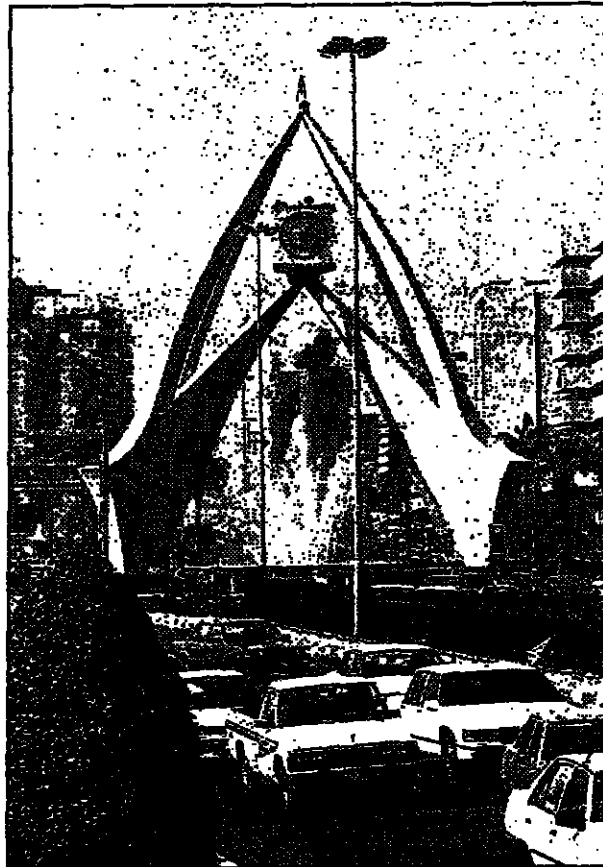
Says Hisao Futo, executive vice president of Brother International: "The Middle East Region is booming, and the potential is tremendous. Our ultimate aim is to make Dubai our regional headquarters."

Jebel Ali has also helped to rebuild Kuwait's oil industry. The U.S. company Bechtel, which has the contract to rebuild the oil sector, has made Jebel Ali its main supply and operational support base. Every day there are air and sea shuttle services between Dubai and Kuwait. "Jebel Ali has been absolutely essential to us in helping get the oil flowing again in Kuwait," comments a Bechtel executive in Kuwait.

McDermott Engineering, an oil-field supplies group that has been based in Jebel Ali for a number of years, recently won a contract to build an accommodation platform for an oil rig in the North Sea. "Our Jebel Ali fabrication yard gave us cost advantages that could not be matched by any of our rivals," says Mervyn Raynor, president of McDermott-ETPM Inc.

All the companies operating or setting up in the zone have one thing in common: "It is the absence of red tape, the tax advantages and facilities provided by JAFZA that have brought us here," says one Western manager. "If you want everything written down in black and white, then don't come here. That's not the way we do things," says Patrick Macdonald of the Dubai Commerce and Tourism Promotion Board.

"There is no doubt that Dubai is the place to do business in the Gulf," says the Western manager.



Dubai's clock tower frames the new Etisalat headquarters with its golf-ball-like dome.

Top Multinational Companies are already rubbing shoulders in Jebel Ali.



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- CLEVELAND BRIDGE
- GOLDSTAR
- LAND ROVER
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- No corporate taxes for a minimum of 15 years
- No personal income taxes • No import duties • export taxes
- Abundant energy • Cost-effective labour force

The Free Zone is built around the largest man-made harbour in the world, efficiently managed by Dubai Ports Authority. This gives the Zone direct access to the Gulf region with a consumer market of over 1 billion people.

All this combined with a complete infrastructure and a superb quality of life for company employees has made Jebel Ali one of the most exciting business opportunities in the world. Ask any of the 300 companies that are already here.



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Duty-Free Operations Gaining Ground

In spite of last year's Gulf crisis, sales at Dubai airport's duty-free shopping complex only dropped a fraction below 1990's record \$100 million turnover.

"This year, we are predicting \$115 million [in sales], and business so far indicates that we are going to surpass this," said Colm McLoughlin, duty-free general manager, address-

ing the International Duty & Tax Free Seminar conference co-sponsored by the International Herald Tribune and Peter R. Wenban & Associates in London in April.

5 million shoppers expected in 1992

He pointed out that although Dubai and the Middle East account for only 4 percent of the world's duty-free trade, "it

is a long way from virtually zero a decade or so ago, and it is increasing rapidly. After all, the Middle East is now the fastest-growing region in the world of duty-free."

He added that the increase was due to better

staff training, an expanded range of merchandise and computerized stock tracking and ordering of replacement items.

"Our marketing campaign also continues to be effective. We know that transit passengers will wait to get to Dubai before making purchases. Our research also indicates that some people actually re-route their flights to ensure that they fly through Dubai."

He explained that one significant factor influencing the international shopper's movements has been the highly successful car raffle for top-range automobiles from makers like BMW, Mercedes, Porsche and Rolls-Royce. Tickets

are limited to 1,000 and cost \$117 each. In April the 100th car — a BMW 850i — was won by Wahed al-Moataz of Bahrain.

Mr. McLoughlin believes in maintaining a high profile for his duty-free operation, which also sponsors a large number of major sporting events such as power-boat racing, snooker, the karate world championships, international tennis and football.

"We do it because every time a race is won, a blow is struck and a ball is hit. 3 or 4 hundred million homes around the world hear the name of 'Dubai Duty Free,' and we know that it all helps generate sales."

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune advertising department. It was written by Michael Frenchman, a London-based business writer specializing in the Middle East.

NYSE

Wednesday's Closing
Tables include the 100 most active stocks and the 100 most active foreign exchange rates up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	115 1/4	+1/4
Microsoft	68 1/2	+1/2
Apple	54 1/2	+1/2
Oracle	48 1/2	+1/2
Novell	42 1/2	+1/2
Lotus	38 1/2	+1/2
McAfee	34 1/2	+1/2
CompuLink	30 1/2	+1/2
CompuShare	26 1/2	+1/2
CompuLink	22 1/2	+1/2
CompuShare	18 1/2	+1/2
CompuLink	14 1/2	+1/2
CompuShare	10 1/2	+1/2
CompuLink	6 1/2	+1/2
CompuShare	2 1/2	+1/2

Symbol	Price	Change
AT&T	48 1/2	+1/2
Verizon	42 1/2	+1/2
Sprint	36 1/2	+1/2
WorldCom	30 1/2	+1/2
Qwest	24 1/2	+1/2
Southwest	18 1/2	+1/2
Delta	12 1/2	+1/2
American	6 1/2	+1/2
United	2 1/2	+1/2

Symbol	Price	Change
Merck	48 1/2	+1/2
Pfizer	42 1/2	+1/2
Novartis	36 1/2	+1/2
Schering	30 1/2	+1/2
Amgen	24 1/2	+1/2
Genentech	18 1/2	+1/2
Amgen	12 1/2	+1/2
Genentech	6 1/2	+1/2

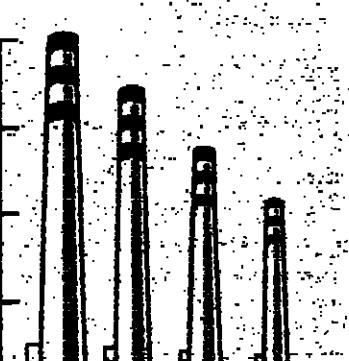
Symbol	Price	Change
Johnson & Johnson	48 1/2	+1/2
Pfizer	42 1/2	+1/2
Novartis	36 1/2	+1/2
Schering	30 1/2	+1/2
Amgen	24 1/2	+1/2
Genentech	18 1/2	+1/2
Amgen	12 1/2	+1/2
Genentech	6 1/2	+1/2

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Southwest	18 1/2	+1/2
Delta	12 1/2	+1/2
American	6 1/2	+1/2
United	2 1/2	+1/2

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IBM	115 1/4	+1/4
Microsoft	68 1/2	+1/2
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Genentech	18 1/2	+1/2
Amgen	12 1/2	+1/2
Genentech	6 1/2	+1/2

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INTERNATIONAL MANAGER Electrical Workers Union Aims to Stay Blue-Collar

By Barnaby J. Feder New York Times Service

PITTSBURGH — Their 24th-floor headquarters gives the leaders of the United Electrical, Radio and Machine Workers of America a panoramic view, much like that enjoyed by the powerful chief executives, influential bankers and wealthy lawyers in nearby skyscrapers.

But the UE, as the union is known, goes out of its way to make sure its top officers are not too tempted to identify with their neighbors in the skyline.

The union's constitution limits executive salaries to \$32,494, helping to make sure that the UE president, John H. Hovis Jr., its secretary-treasurer, Amy R. Newell, and its director of organization, Edmund L. Bruno, do not lose the perspective of the union's 40,000 members.

In an era when huge salary gaps between executives and employees are attracting congressional attention and when leaders of many other labor unions have compensation packages topping \$100,000 a year, the electrical workers union salary limits and quirks like treating the head of organizing on a par with the president stand out like a Model T Ford at the Indy 500.

But these are only part of a larger web of zealously guarded beliefs and policies, like opposition to such worker-management cooperation programs as quality circles, that set the union apart. In the eyes of critics, the UE is a relic. But admirers see it as a model for reinventing the labor movement by hewing to the old-time principles under which workers fared a lot better than they do today.

"There's no one like them," said Harley Shaiken, a labor specialist at the University of California at San Diego. "They combine militancy with a broader ideological spirit that reflects an earlier time."

AS A RESULT, the UE's health may be the purest indicator available of the staying power of the battered Marxist view: that workers form a class of citizens with shared interests separate from those who own and control business.

"We don't talk about what is happening to workers in terms of class warfare these days," Mr. Bruno said, "but it's hard to look at the last 20 years and describe it otherwise."

Some UE policies that are derived from the class-warfare ideology, like opposition to free-trade agreements, are widely shared by other unions and by scholars of the labor movement.

But others, like the belief that a shorter workweek is the solution to saving jobs that would be lost to automation, are dismissed by most other labor leaders as unrealistic.

"If we got a short week, it would just send more jobs to Mexico or Taiwan," said William Bywater, president of the 150,000-member International Union of Electrical, Radio and Machine Workers. "They are living somewhat in the past."

The very existence of the UE shows how dearly the UE has sometimes paid for its fidelity to the social values of those who founded it in 1936.

When critics began attacking the union as communist-dominated as the Cold War gathered steam in the late 1940s, the UE was formed by dissidents who eventually forced the UE out of the Congress of Industrial Organizations. The UE's membership plummeted from a peak of 600,000 in 1947 to just 90,000 by 1956, an exodus encouraged by executives in UE-organized companies like Westinghouse Electric Corp. and General Electric Co.

The two electrical unions have worked closely in bargaining since 1969, and Mr. Bywater has proposed merging, but the rift remains deep.

During the years of the UE's membership decline, union representation in the industrial work force fell in general, from about 35 percent to less than 12 percent. The UE's organizing successes have

See UNION, Page 15

CURRENCY RATES

Table with columns for Currency, Par 5, Par 10, Par 20, Par 50, Par 100, and Par 1000. Lists rates for various currencies including Australian, British, Canadian, etc.

Other Dollar Values

Table with columns for Currency, Par 5, Par 10, Par 20, Par 50, Par 100, and Par 1000. Lists values for currencies like Argentine, Australian, etc.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, 120-day, 150-day, 180-day, 210-day, 240-day, 300-day, 360-day. Lists forward rates for various currencies.

INTEREST RATES

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, 1 year. Lists interest rates for various currencies.

Key Money Rates

Table with columns for Currency, 1 month, 3 months, 6 months, 1 year. Lists key money rates for various currencies.

Asian Dollar Deposits

Table with columns for Currency, 1 month, 3 months, 6 months, 1 year. Lists Asian dollar deposits for various currencies.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, Yield. Lists U.S. money market funds.

GOLD

Table with columns for Location, Price. Lists gold prices in various locations.

Sprint In Pact To Buy Centel

Stock-Swap Plan Values Target At \$2.85 Billion

Compiled by Our Staff From Dispatches

NEW YORK — Sprint Corp. said Wednesday it would acquire Centel Corp. in a stock swap worth about \$2.85 billion, creating the only company that provides long-distance, local and cellular telephone services.

The offer of 1.37 Sprint shares for each share in Centel values the latter company at about \$33.565 a share, below its \$42.50 closing price on the New York Stock Exchange. The offer came after trading ended, and Centel had increased 75 cents for the day. Sprint was unchanged at \$24.50. Besides the common stock, Centel would redeem or retire all of its preferred stock, except for 6 percent shares, which are to be swapped for Sprint preferred.

Centel has about \$1.56 billion of long-term debt. The deal has been approved by the directors of each company, but assent by shareholders and regulators also is needed. Shareholder meetings of both companies are expected to be held late this summer and the merger is scheduled to be completed soon after.

The agreement calls a Centel effort announced in January to maximize shareholder value. It said in February that it would put itself up for auction. Ameritech Corp. and Pacific Telesis Group had indicated interest in parts of the company.

The combined Sprint and Centel company, expected to have a book asset value of nearly \$14 billion and annual revenue of \$10 billion, would be 35 percent owned by Centel shareholders, the companies said. It would retain the Sprint name and remain headquartered in Kansas City, Missouri.

William Erey, Sprint's chairman, said the combined company would be the only one involved in three telecommunications markets: long distance, local telephone, and cellular. Mr. Erey will be the company's chairman, while Jack Frazer, Centel's chairman, will be president of the merged concern.

Mr. Erey said: "We will be the country's third-largest long-distance provider; a local telephone company serving 5.7 million local customer lines; and a cellular company serving a population of more than 1 million customers."

Sprint's local telephone companies serve 17 states and overlap in four of the six that Centel serves. Sprint already is the third-largest long-distance telephone company, and its United Telephone local telecommunications division has more than 4 million customer lines. Centel has 1.6 million access lines for local service.

Centel also controls cellular operations in 42 cities and has minority interests in 34. Its cellular markets have a population of about 16.4 million people.

(Reuters, Bloomberg, UPI)

Chunnel: Where's the Light? Bouygues Remarks Hit Eurotunnel Shares

By Roger Cohen New York Times Service

PARIS — Flayed by conflict and delays, the \$14.7 billion Chunnel tunnel project has degenerated from a grand symbol of European integration to a financial morass, with one of the leading contractors of the enterprise suggesting this week that it could face bankruptcy.

First scheduled to open on June 15, 1993, the tunnel's inauguration has been postponed to the last quarter of 1994. A bitter dispute with contractors and a breach of agreements with the banks that have underwritten Eurotunnel, the company that will operate the tunnel.

Shares in Eurotunnel plunged 3.7 percent Wednesday on the Paris Bourse after Martin Bouygues, the chairman of France's Bouygues SA construction company, said at a press conference Tuesday that "one cannot completely exclude the hypothesis that Eurotunnel will go bankrupt." He added that "the project has skidded off course and the situation is bad."

It was the first reference by an executive involved with the tunnel to a possible bankruptcy. Anabel Salmon, a spokeswoman for Eurotunnel, said "we were astonished by this unfounded outburst."

Bouygues, the largest French construction concern, is part of a consortium of five French and five British companies known as Trans Manche Link that is seeking \$2.6 billion in extra payments from Eurotunnel for work done up to now.

Eurotunnel is contesting the claim from Trans Manche, and company officials suggested Mr. Bouygues's angry statement may have amounted to posturing. Mr. Bouygues did not return telephone calls seeking elaboration. But analysts, while generally describing Mr. Bouygues's warning as exaggerated, said Eurotunnel's plight was disquieting.

"It was originally budgeted at \$8.7 billion, now it's budgeted at \$14.7 billion, and we still don't know what the final cost will be," said Mark McVicar, an analyst at County Natwest Wood Mackenzie. "We don't know when the tunnel will open, whether the conflict with contractors will be resolved, or what revenue to expect. It's all very vague."

Although the two rail tunnels were completed in May and June of last year, they still have to be equipped with power systems, signaling, air conditioning and other equipment in what amounts to a highly complex engineering operation. On completion, the shuttle service between France and England should take 37 minutes.

But the completion date of Europe's largest construction project keeps retreating. Eurotunnel, whose shares were floated in 1987, was ordered by an independent arbitration panel last March to begin paying \$91 million a month to contractors toward their disputed \$2.6 billion claim.

This order was described by Eurotunnel's chief executive, Sir Alastair Morton, as "a hand grenade" tossed into negotiations with contractors, and the company has appealed to the International Chamber of Commerce in Brussels.

Ms. Salmon, the spokeswoman, said the first payment of \$91 million was made this month, but "it was made without prejudice." Meanwhile, she added, negotiations were continuing with contractors in a bid to find an agreement because the arbitration procedure in Brussels could take years.

The two sides are still believed to be about \$900 million apart, with Eurotunnel insisting that the contractors had agreed to a lump-sum deal and the contractors countering that the payment from Eurotunnel must reflect their sharply increased costs.

The dispute appears to be slowing progress on the tunnel. Philippe Montagner, a Bouygues director responsible for the group's tunnel operations, said this week that it was unlikely the tunnel would open before March 1994. "Under the best scenario, with everyone working hand-in-hand, I don't see it opening before March 1994, and we still don't see it budgeted at \$14.7 billion, and we still don't

See TUNNEL, Page 13

Edinburgh Bids for Eurofed

By Erik Ipsen International Herald Tribune

EDINBURGH — The battle to provide a home for the yet-to-be-created European Central Bank and its presumed legions of highly paid technocrats took a bizarre turn on Wednesday, when Edinburgh boldly threw its hat into the ring alongside those of such better-known rivals as Frankfurt, Amsterdam and London.

At a conference in the Scottish capital at which Edinburgh announced its candidacy and attempted to map a way for its nascent campaign, the city's Lord Provost said that Edinburgh was "second to none" and "gambled maintained that "with a bit of luck, we could take the prize."

By all accounts, vast quantities of luck will be essential. Scotland can legitimately lay claim to being in the top rung of second-tier financial centers, with its fund managers looking after \$150 billion (\$274 billion) and with nearly 190,000 people working in the financial-services sector. But those facts are little appreciated outside Britain, as more than one conference participant glumly conceded.

Then, too, Edinburgh's bid does not even enjoy the blessing of its own national government, which instead is backing London's run at housing the European Central Bank.

In London, the Lord Mayor's office has a £1.5 million kitty earmarked for its Eurofed campaign. London's campaign pits it against Europe's only other world-class financial center, Frankfurt. But, said Nigel Szemmel, the Lord Mayor's spokesman, "We are being rather more subtle than the Germans, with their big advertising campaign." Instead, London has been quietly gathering intelligence on which countries are in what camps and carefully advancing London's case through the likes of speeches by Robin Leigh-Pemberton, the governor of the Bank of England.

"There is no false optimism here," said George Kerevan, the chairman of the Edinburgh city council's economic development committee. "In fact, there would be no optimism of any kind had not the Scots come up with a variation on the theme of divide and conquer."

Their aim is not to provide quarters for the Eurofed in its entirety, but to capture its back-office facilities with the twin lures of a well-schooled pool of financial talent and the promise of a cheaper cost base than that in the first-tier financial centers.

"There is no reason for all these functions of a central bank to be under one roof," said Grant Baird, the former chief economist for the

'With a bit of luck, we could take the prize.'

Edinburgh's Lord Provost.

economic development committee. In fact, there would be no optimism of any kind had not the Scots come up with a variation on the theme of divide and conquer.

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Markets Digest Shocking News On Oil Prices

By Lawrence Malkin International Herald Tribune

NEW YORK — Most financial and energy markets calmed down Wednesday as economic forecasters took the prospect of firm oil prices in stride and predicted they would barely retard the slow U.S. recovery.

"I don't see much effect on the economy of \$3 a barrel more for oil, which would bring prices back to where they were before the Gulf War," said Allen Sinai of Boston Co. Economic Advisers. "What's always nerve-racking and scary with oil is the political risk of something worse, but this time I think the markets overdid it."

Specialists in the oil market forecast only a slight rise in prices later this year. Ann-Louise Hittle, senior oil analyst for Lehman Brothers, predicted Texas benchmark prices would move within a range of \$20 to \$23 a barrel this summer — only \$1 higher than her forecast before the Organization of Petroleum Exporting Countries said last week it would keep to its quotas when the summer restocking season raised demand.

"But will the quotas hold? And will they readjust them in the fourth quarter?" asked Peter Jacobs of Merrill Futures in London, which was forecasting Brent crude at \$21 a barrel for the summer, up from the current cash price of about \$20.84.

The most dramatic effect so far was a one-day jump on Tuesday in long-term bond interest rates, and a sharp drop in most nonenergy Wall Street stocks, caused largely by fears that the situation could escalate.

Taking a more considered view on Wednesday, the stock and bond markets stabilized, showing little change. After Tuesday's jump of more than \$1, oil futures in New York stood at just under \$22 a barrel for July, down about 2 cents for the day.

The dollar jumped almost 2.5 percent against the Deutsche mark, but oil prices were only one factor in persuading markets the Federal Reserve Board was unlikely to cut in-

terest rates soon. Traders seem to have decided the difference between U.S. and German interest rates had reached its maximum and therefore favored the dollar on U.S. prospects for recovery.

The dollar rose to 1.6370 DM from 1.6128, but its gains against other currencies were less robust. It rose to 1.4887 Swiss francs from 1.4825, to 5.4960 French francs from 5.4220 and to 130.18 yen from 129.50. The pound fell to \$1.7949 from \$1.8250.

A Commerce Department report Wednesday on durable-goods orders in April gave added confirmation that the U.S. recovery would be a slow one. Although they rose 1.4 percent, the main boost came from a 2.1 percent increase in defense orders.

This left nondefense orders up See OIL, Page 12

Japanese Banks To Raise Rates

Compiled by Our Staff From Dispatches

TOKYO — For the first time in 11 months, Japanese banks decided Wednesday to raise their prime lending rates, but the move does not signal a turnaround in Japan's sagging economy, analysts said.

In coming months, they said, the banks may reverse their decision to raise the prime rate to 6.3 percent, from 6.0 percent, effective June 1. The key is whether the economy picks up.

"On a whole, bank rates are high relative to the needs of the economy," said Aaron Marin Cohen, senior economist at Daiwa Securities Co.

Industrial Bank of Japan, Long-Term Credit Bank and Nippon Credit Bank say the increase is a response to the higher cost of raising funds. (Bloomberg, Reuters)

Control Data Will Divide Its Computers and Services

Compiled by Our Staff From Dispatches

MINNEAPOLIS — For the second time in six years, Control Data Corp. is planning to break a piece of itself off, spinning its computer operations into a new entity that would be part-owned by Silicon Graphics Inc. and possibly NEC Corp.

Control Data, which has had financial troubles since the mid-1980s, plans to put its computer business in a new company called Control Data Systems, to be spun off to existing shareholders as a tax-free dividend. The company hopes to make its parts easier to understand for investors and lenders. Its bankers must approve the proposal.

Silicon Graphics, which makes workstations, is to take a 10 percent stake in the new unit, and Control Data Systems also hopes to sell a 5 percent stake to NEC Corp., the Japanese computer and electronics company.

Control Data financed the start-up of Silicon Graphics, which will have technology and marketing agreements with the new company.

The remaining Control Data operations, which provide computer services such as payroll processing, will be renamed Ceridian Corp. The companies plan to sever business and management links.

In 1986, Control Data announced it was selling its Commercial Data Corp. finance unit to the public. In 1988, that company acquired Primavera Corp., under whose name it now operates.

Control Data's special niche, which it largely retains, is the sale of large computers to utilities and service corporations. (Bloomberg, AP, Reuters)

Mainland Chinese Interests to Buy Hongkong Land's New Skyscraper

By Laurence Zuckerman International Herald Tribune

HONG KONG — Hongkong Land Holdings Ltd., the colony's premier commercial landlord, said Wednesday it was selling a prime office and retail property in the heart of the city for 3.8 billion Hong Kong dollars (\$491.0 million) to a consortium backed by mainland China interests.

The pink granite tower, called Nine Queen's Road Central, was recently completed and is one of the most distinctive in Hong Kong's skyline. Its sale to investors from across the border is the latest in a string of mainland property purchases that have helped buoy confidence in the colony's future after it is handed back to Beijing in mid-1997.

Innsbruck Co., described by two of its Hong Kong shareholders as a "company controlled by a consortium of major mainland and Hong Kong-based parties," is the buyer.

News of the sale helped push the entire Hong Kong stock market higher, and the Hang Seng index rose 30.62 points, to a record 6,082.70. Some of the gain was attributed to a bid for minority shares in Cavendish International Holdings Ltd. by Hutchison Whampoa Ltd. (Page 15)

Hongkong Land stock was suspended because of the announcement, but shares in the two main companies in the Jardine Matheson group were higher. Jardine Matheson Holdings Ltd., which has an 18 percent stake in Hongkong Land, was up 2 Hong Kong dollars to 61.50 dollars, while Jardine Strategic Holdings Ltd., with a 33 percent share in the real estate unit, was up 60 cents, to 27.20 dollars.

Six months ago, the deal would have raised fears about the Jardine group's commitment to the colony.

square-foot building provides a windfall for Hongkong Land, which was said to have invested only 2.1 billion Hong Kong dollars developing the 38-story tower. "It was an offer that we felt was attractive and that reflected the value we added to the building," Mr. Morrison said.

Six months ago, when Jardine was caught up in a dispute over whether it would transfer the listings of its companies to London from Hong Kong, the sale of one of Hongkong Land's prime properties would have fed rumors that it was withdrawing from the colony in advance of 1997.

But the recent reform push in China and subsequent blooming of worldwide investor interest in the Chinese provinces bordering

Advertisement for Blancpain watches. Features an image of a watch and text: 'IB 1735 BLANCPAIN SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE. LUIGI VERGA S.A.S. DI VALERIO VERGA & C. - OROLOGERIA Via Dogana, 3 - 20123 Milano (Verme) Via Mazzini Tel. 02-805621 - C.F. P. IVA 04370400156'

MARKET DIARY

Stocks Edge Higher As Oil Stabilizes

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks finished slightly higher Wednesday as oil prices stabilized and inflation fears faded.

Prices rebounded from heavy losses on Tuesday, when a jump in oil prices ignited fears that rising inflation would crimp the U.S. economic recovery.

N.Y. Stocks

The market got a little oversold yesterday, despite the fact that the oil stocks rallied," said Frank Grotz, a technical analyst at Shields & Co. "I think that helped hold things together today."

The Dow Jones industrial average, which dropped 22.56 points Tuesday, gained 6.23, to 3,370.40.

Advances and declines were about even on the New York Stock Exchange. Volume totaled 177.4 million shares, down from 196.9 million on Tuesday.

The jump in oil prices on Tuesday was spurred by reports that Saudi Arabia, a pivotal force in world energy markets, had shifted its oil strategy to encourage higher prices.

The news was initially seen as an inflationary threat and a possible obstacle to the progress of the U.S. economic recovery.

"Today, people took a more realistic look at the economy and recognized that the inflation fears were probably overblown," said

Barry Berman, head trader at Robert W. Baird & Co.

Ray Dalio, an analyst at Bridge-water Associates in Wilton, Connecticut, said: "The Saudis are against a big gain in oil prices nearly as much as they're opposed to a big fall. They know that a spike in oil prices would threaten the fragile global economic expansion, which would hurt demand."

Oil stocks, which rallied sharply Tuesday, came under pressure as investors took profits.

The three oil stocks in the Dow industrials all declined. Exxon fell 2 1/2, to 61 1/2, Texaco fell 2 1/2, to 64 1/2, and Chevron eased 1 1/2, to 70 1/2.

Syntex was the most active issue in Big Board Trading, down 3 1/2, to 37 1/2. The pharmaceutical concern on Tuesday reported third-quarter earnings of 56 cents a share, below analysts' expectations.

Philip Morris followed up 1 to 75 1/2, after announcing a program to repurchase \$3 billion of its outstanding common stock.

Aracruz Celulose SA of Brazil was third, quoted at 13 1/2 on its initial trading. Its offering of 10 million American Depositary Shares was priced at \$13.25 a share.

Control Data rose 1 1/2, to 13 1/2, after announcing plans to divide its computer and services businesses.

Salomon Phibro Oil Trust led the American Stock Exchange actives, down 1/2 at 3 1/2.

Calgene led the over-the-counter actives, down 1/4 at 15 1/4. (Bloomberg, UPI, AP, Reuters)

The Dow

Daily closing of the Dow Jones industrial average

Table with columns: Index, Open, High, Low, Close, Change. Values for Dow Jones Industrial Average from 1981 to 1992.



ND J F M A M 1981 1992

NYSE Most Actives

Table listing top active stocks on the NYSE with columns: Symbol, Vol., High, Low, Last, Chg.

AMEX Most Actives

Table listing top active stocks on the AMEX with columns: Symbol, Vol., High, Low, Last, Chg.

NYSE Diary

Table listing NYSE activity with columns: Symbol, Close, Prev.

AMEX Diary

Table listing AMEX activity with columns: Symbol, Close, Prev.

NASDAQ Diary

Table listing NASDAQ activity with columns: Symbol, Close, Prev.

Dow Jones Averages

Table with columns: Index, Open, High, Low, Close, Change. Values for various Dow Jones averages.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Change. Values for Standard & Poor's indexes.

NYSE Indexes

Table with columns: Index, High, Low, Close, Change. Values for NYSE indexes.

NASDAQ Indexes

Table with columns: Index, High, Low, Close, Change. Values for NASDAQ indexes.

AMEX Stock Index

Table with columns: Index, High, Low, Close, Change. Values for AMEX stock index.

Dow Jones Bond Averages

Table with columns: Index, Close, Change. Values for Dow Jones bond averages.

Market Sales

Table with columns: Index, Volume, Change. Values for market sales.

N.Y.S.E. Odd-Lot Trading

Table with columns: Symbol, Buy, Sell, Short. Values for N.Y.S.E. odd-lot trading.

For investment information read THE MONEY REPORT every Saturday in the IHT

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close. Values for European futures.

Food

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for food futures.

Industrials

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for industrial futures.

Stock Indexes

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for stock indexes.

Metals

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for metal futures.

Financial

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for financial futures.

3-MONTH EURO DOLLARS (LFFBS)

Table with columns: Symbol, High, Low, Last, Settle, Chg. Values for 3-month Euro dollars.

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OIL: Markets Digest Sharp Rise

(Continued from first finance page) Only 0.2 percent, and that was boosted by a 6.1 percent rise in the volatile transport-weighted sector. Not counting defense and transport, orders fell 0.2 percent, compared with a 0.7 percent March rise.

Shipments of durable goods also declined 0.2 percent in April, their first drop this year. But auto producers seem to be doing well, and mid-May car sales reported Tuesday rose to an annual rate of 6.7 million, the highest since late December. "If this sales pace is sustainable, Detroit would increase production rather dramatically," said Debbie Johnson of C.J. Lawrence & Co.

The National Association of Business Economists surveyed 44 leading corporate forecasters and reported their consensus of economic growth was 2 percent for 1992. This was an upward revision of half a percentage point because of rising inventories early in the year, but still what the group called a "subdued" recovery.

Their forecasts were made before the news on oil prices, but in any case economists gave other imponderables as much weight in analyzing the U.S. economy.

Donald Ratajczak of the Georgia State University forecast center, a specialist in price behavior, calculated a \$3-a-barrel increase in oil prices would add one percentage point to wholesale prices and half a percentage point to retail prices.

"This doesn't shut down the recovery. It reverses a downtrend in inflation, but it really does not establish an uptrend. It also means that the Fed, which was standing down, now will not get up to bat," he said.

Samuel Kahan of Fuji Securities saw offsetting effects: slightly higher energy prices counterbalanced by lower prices elsewhere in an economy growing almost imperceptibly more slowly, and a trade deficit increased by the higher cost of crude-oil imports. "The difference this time between 1974, 1979, and Kuwait is that there is no shock effect, and the economy has time to adjust to it," he said.

EC Ministers Mired on Toxic Waste

BRUSSELS — European Community environment ministers failed to agree late Tuesday on a common policy toward the handling of toxic wastes among the 12 Community members, after France refused to accept proposals by the EC Commission.

The French environment minister, Strogline Royal, said that Paris "could not approve an agreement that the said treated toxic-waste products 'just like any other goods' by letting them freely cross EC borders when the single market comes into effect in January.

France is demanding that EC policy be based on the principle of self-sufficiency, under which countries have to provide adequate treatment for their own toxic waste.

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WORLD STOCK MARKETS

AGENCE FRANCE PRESSE May 27

Table with columns: Index, Close, Prev. Values for world stock markets.

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U.S. FUTURES

AGENCE FRANCE PRESSE May 27

Table with columns: Symbol, Open, High, Low, Close, Chg. Values for U.S. futures.

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U.S. / AT THE CLOSE

Maughan to Head Salomon Brothers

NEW YORK (Reuters) — Salomon Inc., the investment-banking giant that admitted to Treasury auction violations last year, on Wednesday named Deryck Maughan chairman and chief executive officer of its Salomon Brothers Inc. subsidiary.

Mr. Maughan had been chief operating officer of Salomon Brothers, working with Warren E. Buffett, acting interim chairman and chief executive officer of both Salomon Inc. and Salomon Brothers.

On May 20, Salomon Inc. settled civil charges that it broke rules at nine U.S. Treasury auctions, capping a scandal that engulfed the prominent Wall Street firm for almost a year. The settlement between Salomon and the government involved payment of \$290 million.

Philip Morris Sets \$3 Billion Buyback

NEW YORK (APX) — The board of Philip Morris Cos. approved Wednesday a program to buy back an additional \$3 billion worth of its common stock. The company said the new program, added to \$1.1 billion from a \$2 billion stock-buyback plan in November, would result in a combined share-repurchase program of 12.3 million common shares have been repurchased for a total cost of \$929 million. The company has about 911 million shares outstanding. Repurchased shares may be used for employee benefit programs or other corporate purposes, it said.

Tenneco Closes Sale of Minerals Unit

HOUSTON (UPI) — Tenneco Inc. said Wednesday that it had completed the previously announced \$500 million sale of its Tenneco Minerals Co. to Solvay America Inc. a part of Tenneco's \$3 billion restructuring program.

Proceeds from the sale will be used to pay off debt. The company will record a \$100 million net gain on the sale. "Our ongoing restructuring actions, including the completion of this sale, along with the tough operating targets we've set for ourselves, show that we're serious about reducing debt, improving profitability and continuing to develop our long-range strategy," said Michael Walsh, the Tenneco chairman.

Wang to Cut World Staff by 1,000

LOWELL, Massachusetts (Reuters) — Wang Laboratories said Wednesday it would reduce its work force by more than 1,000 worldwide over the next several months, as part of a new development and marketing strategy to control costs and lower expenses.

As of April 30, the company employed 13,532 people in its continuing operations. The cost of the adjustment has not yet been determined. It will be reflected as part of operating results in the fourth financial quarter, ending June 30, said Wang.

American Stores Profitable in Period

SALT LAKE CITY (UPI) — American Stores Co., one of the leading U.S. supermarket and drugstore operators, reported Wednesday earnings of \$19.2 million, or 28 cents a share, for its first quarter, which ended May 2, compared with a loss of \$4.7 million in the like period a year earlier.

Sales for the first quarter were \$4.2 billion, compared with \$3.41 billion in the same quarter last year. The total for the 1992 quarter includes \$256.9 million from stores that have been sold, which include 74 Jewel Oaco stores, 145 Alpha Beta Co. stores and 59 drugstores. The 1991 total includes \$862.3 million from disposed stores.

For the Record

Kmart Corp., the second-largest U.S. retailer, might spin off some of its specialty stores in a bid to boost shareholder value, Chairman Joseph Antoin said at the annual meeting. He said the proposal was "still in the reviewing stages."

The Italian entrepreneur Sergio Cragno will pay around \$300 million to take control of the U.S. canned-foods producer Del Monte, the financial daily Il Sole 24 Ore of Milan reported. (Reuters)

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AGENCE FRANCE PRESSE

Green and Plentiful: Body Shop Lifts Profit

LONDON — Body Shop International PLC said Wednesday its profit climbed 26 percent last year, on increased worldwide sales. The company, founded in 1976 by Anita Roddick, made a pre-tax profit of £25.2 million (\$45.4 million) in the year ended February 1992, up from £20 million the previous year.

Under Gun, O&Y Seeks More Cash

LONDON — The Canadian developer Olympia & York has asked banks for an additional £500 million (\$915 million) to complete its Canary Wharf project in London's docklands, sources close to the company said on Wednesday. O&Y has until the end of business on Friday to find out whether banks will agree to renew a £21 million credit, expiring on Sunday, needed to meet Canary Wharf's bills.

French Trade Surplus Surges

PARIS — France reported a record trade surplus on Wednesday in what government officials and private economists said was further evidence of the country's brightening economic outlook. The surplus, adjusted for seasonal swings, jumped to 7.79 billion French francs (\$1.4 billion) in April, from 1.06 billion francs in March. It was the fourth surplus since a new low of 144 million francs in February.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates. Includes a line graph showing index trends from 1991 to 1992.

TUNNEL: Troubling Questions

Friday on whether to allow the waiver. He declined to comment on the likely outcome. The agent banks for the syndicate are National Westminster and Midland from Britain and Credit Lyonnais and Banque Nationale de Paris of France.

20,000 May Lose Jobs at Mercedes

STUTTGART, Germany — Mercedes-Benz AG, the carmaking division of Germany's Daimler-Benz AG, could cut more than 20,000 domestic jobs over the next few years, management board chairman Werner Niefer said Wednesday.

EDINBURGH: Scotland Makes a Bid for Eurofed

(Continued from first finance page) economic affairs committee of the Scottish Conservative Party, was prepared to go one step further. "It is probably best to collude with one of the other financial centers, like Amsterdam," he said.

World Staff by 1,000

London-based World Staff by 1,000, a recruitment agency, has announced plans to expand its operations in Europe and the Middle East.

Closes Sale of Minerals Ltd

London-based Minerals Ltd has completed the sale of its assets to a consortium of investors, marking the end of its operations.

to Head Salomon Brothers

Salomon Brothers has announced the appointment of a new head of its European operations, following a period of restructuring.

Paris Sets \$3 Billion Budget

Paris has set a budget of \$3 billion for its infrastructure projects, including the expansion of its airport and public transport systems.

Record

A record number of companies have announced plans to list on the London Stock Exchange in the first half of 1992.

Stock Indexes

Table listing various stock indices and their performance, including the FTSE 100, DAX, and CAC 40.

Commodity Indexes

Table listing various commodity prices, including oil, gold, and agricultural products.

ADVERTISMENT INTERNATIONAL FUNDS

Large table listing various international funds, their managers, and performance metrics. Includes sections for Equity, Bond, and Specialty funds.

Very briefly:

- British Land PLC said it agreed to buy the 40.3 percent stake it did not own in Finsbury Avenue Estate Holdings from Greycast PLC for £38.3 million (\$69 million).
Luis Schweizer, 50, was named by the French government as president of the state-controlled automaker Renault, taking over from Raymond Lévy, who stepped down as he reached the mandatory retirement age for state-run concerns of 65.

Li Tries for Cavendish Again Bid Is 34% Above Offer Rejected Last Year

By Laurence Zuckerman
International Herald Tribune

HONG KONG—A year after minority shareholders rejected his bid to buy them out of Cavendish International Holdings Ltd., the investor Li Ka-shing came back Wednesday with a 34 percent higher offer, worth 5.84 billion Hong Kong dollars (\$746 million).

Hutchinson Whampoa Ltd., one of the main companies in Mr. Li's empire, said it would offer 5.31 Hong Kong dollars per share for the 36.62 percent of Cavendish it does not already own.

In February 1991, Mr. Li offered 4.10 Hong Kong dollars for each share, but the offer of the company's majority shareholders, despite a positive recommendation by an independent financial adviser.

One of the tycoon's few failures, Cavendish was created in 1987 as a holding company for a variety of property and energy assets also held by other entities controlled by Mr. Li, especially Hutchinson Whampoa. The company holds stakes in a Hong Kong hotel, residential property developments, one of the colony's two franchised power utilities and Hysky Oil Ltd. of Canada.

Although it is one of the constituent stocks of the Hang Seng index, Cavendish has never really caught on with investors, foreign or local. "Basically, it is just a redundant listing," said Edward Chen, an analyst with Cititong Research International. "It doesn't play an important role in the group."

Since Mr. Li's first offer was rejected last year, the company has severely underperformed the booming Hong Kong stock market. Many players avoided the shares, convinced Mr. Li would never do anything that would benefit his insubordinate minority shareholders.

"The group doesn't see much hope of making

Cavendish work," said one analyst who asked not to be identified. "They just don't know what to do with it."

Hutchinson said the takeover "will allow the group structure to be simplified and economies effected."

Several analysts predicted the new bid, which is a 32 percent premium on Cavendish's Tuesday closing price of 4.17 Hong Kong dollars, is unlikely to be rejected by shareholders. "If you look at Cavendish's share performance in the last year, it is very close to its all-time high," said the analyst.

Before the 1991 bid, Cavendish traded at 3.83 dollars.

The key question, analysts say, is how Hutchinson will pay for the acquisition. Although the company has the cash, there have been rumors for weeks that it was about to tap its shareholders for funds via a rights issue. Either way, Hutchinson's price is liable to slip.

Hutchinson did not provide details of the offer, which it said would be made available to shareholders within three weeks. Shares in both companies were suspended from trading Wednesday.

Cheung Kong Shares Advance

Shares in Cheung Kong (Holdings) Ltd., which holds 39.1 percent of Hutchinson Whampoa, rose 1.10 Hong Kong dollars, to 25.70 dollars, boosted in part by the bid for Cavendish, Bloomberg Business News reported.

Analysts said another factor in the advance was a rumor that the investment company was arranging a major deal involving Shanghai property.

Traders said that if Hutchinson succeeded in taking Cavendish private it would simplify the structure of Mr. Li's companies and make it far easier for the restructuring of weaker assets.

Shanghai Is Warned On Market Clampdown

BEIJING—A decision by the Shanghai stock exchange to outlaw investment syndicates has drawn fire from Chinese market analysts, who say it will only add to confusion on the fledgling exchange, currently on a roller-coaster ride.

Stock prices in Shanghai plummeted almost across-the-board for the second straight day Wednesday, with the exchange's index losing 124.9 points to close at 1,192.5.

The market has dropped 19 percent since Shanghai newspapers reported Tuesday that exchange authorities had outlawed investment syndicates to try to cool overheated prices. The syndicates, which had been ramping selected prices, were told to unwind their positions.

Tuesday's move abruptly reversed a surge that began last Thursday, when exchange authorities lifted all restrictions on daily share-price fluctuations. On that day, the stock exchange index more than doubled.

Analysts estimate that half the 100,000 trading accounts in Shanghai are controlled by syndicates, with the rest held by individuals. Local dealers allow the syndicates to jump long lines to buy and sell, a privilege that leaves small investors stranded when they take profits.

Critics say the ban is probably unenforceable, and may even be illegal. They say it has tarnished the image of a market that has suffered from excessive official intervention since it opened just last December.

"Investors are confused," said Song Liping, a chief market analyst at Beijing's Stock Exchange Executive Council, a private think-tank that helped to establish China's two bourses in Shanghai and in the southern boom town of Shenzhen.

"I don't see how they can enforce the laws," she said.

Market manipulation by trading syndicates highlights severe technical problems on a market whose computer trading systems are already strained beyond capacity. A total of 15 shares are now listed, and it is not clear how the market will cope with another 50 listings planned for this year alone.

Exchange authorities have said they are planning to set up a market annex in the next few days that will be linked to the main trading floor with open telephone lines and that will only accept sell orders.

The annex is designed to ease the market's biggest bottleneck and protect the interests of small investors, who now have trouble selling shares.

Property Write-Down Batters Fletcher Stock

AUCKLAND, New Zealand—Shares in Fletcher Challenge Ltd. tumbled on Wednesday after the biggest company in New Zealand announced a hefty real estate write-down that is to give it its first annual loss.

Fletcher stock fell 3.2 percent, to 3.60 New Zealand dollars (\$1.92), down 12 cents on the day. But analysts said the sales were mostly by small investors who overlooked an important positive development: the wood-products, energy and construction company plans to tighten its accounting standards, bringing them into line with generally accepted accounting principals in the United States.

The Fletcher stock decline dragged the New Zealand 40-stock capital index down 15 points, to 1,540. Fletcher accounts for about 20 percent of the index.

Late Tuesday, Fletcher said it would take a 400 million New Zealand dollar charge against income to account for worldwide real estate weakness and would post a 155 million dollar loss for the year through June, compared with profit of 555.01 million a year earlier.

About 350 million of the write-down will cover real estate in Australia and New Zealand, plus security holdings in Jennings Group Ltd. of Australia. Bruce D. Cooper, president of Fletcher Challenge Finance Canada in Toronto, told the International Herald Tribune. Mr. Cooper said Fletcher owned 48 percent of Jennings, and the remaining 50 million dollars of the charge was related to that company's sale of its Southgate project in Melbourne.

Mr. Cooper pointed out that Fletcher had previously said it would exit the real estate business. He said the charge reflected weak worldwide property markets.

Despite the tumble in Fletcher's stock price, analysts said international investors ought to be delighted that the company decided to tighten its accounting standards. About 40 percent of its shares are held overseas, and 90 percent of its borrowing is from lenders abroad.

Fletcher will adopt a single balance sheet, value its forests and fixed assets by the historical-cost method, deconsolidate noncontrolled companies and treat as treasury stock the shares owned by its employees, unit trust and share-purchase schemes.

"From an overseas fund manager's point of view it will make Fletcher a simpler company to understand," said Graeme Thomson at Cavill White Securities, who had some qualms about the necessity of some of the changes.

The changes mean Fletcher's debt-to-equity ratio rises to 59 percent from 52 percent, making its long-held target of 50 percent that more elusive. On the other hand, most analysts' own calculations had already accounted for this.

Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong Hang Seng		6,082.70	6,052.08	+0.51
Singapore Straits Times		1,506.54	1,494.29	+0.82
Sydney All Ordinaries		1,665.90	1,674.29	-0.50
Tokyo Nikkei 225		17,822.56	18,204.84	-2.10
Kuala Lumpur Composite		591.20	592.52	-0.22
Bangkok SET		715.75	729.58	-1.90
Seoul Composite Stock		585.23	569.51	+2.76
Taipei Weighted Pnce		4,541.38	4,540.00	+0.03
Manila Composite		1,421.83	1,440.97	-1.32
Jakarta Stock Index		297.01	296.54	+0.16
New Zealand NZSE-40		1,540.21	1,555.41	-0.98
Bombay National Index		1,389.77	1,443.13	-3.70

Sources: Reuters, AFP
International Herald Tribune

Thailand's Unrest Has Not Dented Baht, but a Float Looks Less Likely

BANGKOK—The military crackdown on protests in Bangkok has clouded Thailand's economic and investment outlook but its traditionally strong currency, the baht, has survived intact.

Analysts expect the baht to remain one of the region's most stable currencies—unless political unrest is prolonged. But the turmoil has ruled out any move to fully float the currency in the near future.

"I don't see the baht's stability threatened under the current circumstances unless there is a significant deterioration in the political scene to change the underlying economy," said Keith Wilson of the Bank of America branch here.

The baht, fixed daily by the Bank of Thailand against a basket of currencies dominated by the U.S. dollar, firmed to 25.48 to the dollar on Wednesday, compared with 25.59 on April 7, when General Suchinda Kraprayoon took office as prime minister.

The baht has fluctuated in a relatively narrow range, from 25.11 to 26.30, since 1986.

Economists said the baht owed its stability to Thailand's strong economy, which posted one of the world's highest growth rates from 1987 to 1990, and to large foreign reserves, of \$18.9 billion at the end of March, that could finance 5.8 months of imports.

Bullpurses on the Thai stock market are expected to edge down, with the Securities Exchange of Thailand

index moving to the 680-10-715 range as part of the economic fallout from the political unrest.

The SET index on Wednesday fell 13.83 points to 715.75, with declining stock outnumbering those advancing 9 to 1, in light volume.

Investors are expected to lower bids on concerns that economic growth will slow in virtually every sector, said Mike Stead, a senior analyst for Union Securities. "Few companies will escape the economic fallout," he said. "Obviously tourism has been hurt badly and property sales, be they commercial or residential, should plunge. But there are implications for every sector, even consumer products."

Mr. Wilson said the baht's long-term stability would depend on political changes in the next few months. The quality of the new cabinet would be closely watched by the business sector, which hopes it will include nonpartisan economists and technocrats.

Nimit Nonthapantawat, chief economist of Bangkok Bank Ltd., said that although the baht had retained its image as the strongest currency in Southeast Asia after the Singapore dollar, the unrest had ruled out any early move to float the unit fully.

"Most developing countries cannot afford a complete free-float system, not if they cannot guarantee that political or economic unrest like what we saw here last week will not happen," he said.

(Reuters, Bloomberg)

Profit Falls at Nippon Oil, 2 Rivals Record Gains

TOKYO—Nippon Oil Co., Japan's biggest distributor of petroleum products, said Wednesday that foreign-exchange losses and rising costs pushed its current profit down 5.9 percent in the year ended March 31.

But current profit rose at Mitsubishi Oil Co. and Cosmo Oil Co. because of improved margins and cheaper oil.

The three oil companies predicted that current profit would be flat or lower this year. A slowdown in demand for oil products and the abolition of limits on refining output have clouded the outlook for the industry this year, analysts said.

Nippon Oil said current, or pretax, profit fell to 44.1 billion yen (\$341 million). Sales fell 7.5 percent, to 2,029 trillion yen, but net profit more than doubled, to 32.9 billion yen. The increase in net profit resulted from profit on the sale of land, a Nippon Oil official said.

Mitsubishi Oil, an oil distributor and refiner, said its current profit rose 9.7 percent, to 23.49 billion yen, while net profit rose 23 percent, to 13.59 billion yen.

Demand for oil products grew 2 percent in Japan during the year, aiding sales, Mitsubishi Oil said. But the value of its sales fell 4.4 percent, to 1,041 trillion yen, because prices for oil products declined.

Cosmo Oil, an oil wholesaler, said current profit rose 55 percent, to 27.8 billion yen. Sales dropped 7.7 percent, to 1,581 trillion yen, while net profit surged 91 percent, to 18.43 billion yen.

Greater production efficiency and an improved financial position contributed to the jump in current profit, Cosmo Oil said.

(Bloomberg, AFX)

Very briefly:

- Australia & New Zealand Banking Group Ltd. said net profit rose 63 percent in the six months ended March 31, to 171 million Australian dollars (\$129 million), reflecting significant restructuring, lower bad-debt charges and lower interest rates.
- Japanese industrial production rose a seasonally adjusted 0.7 percent in April from March, the Ministry of International Trade and Industry said, the first rise in seven months.
- Asia Cement Corp., one of Taiwan's largest cement companies, has obtained government approval to raise up to \$75 million overseas through the sale of global depository receipts.
- C. Itoh & Co., one of Japan's leading trading companies, plans to import gas condensate, which is used to produce petrochemical materials, from the state-run Urengoygasprom in Western Siberia, officials said.
- Macao's government has rejected a bid for the local branch of the Bank of Credit & Commerce International (Overseas) Ltd. by a joint venture between Taiwan and Portuguese interests, saying it did not meet the minimum conditions for acceptance.
- Takeda Chemical Industries, Japan's leading maker of antibiotics, posted a 3 percent drop in current profit, to 71.3 billion yen (\$551 million), for the year ended March 31, partly because of higher research and development costs.
- The Singapore International Monetary Exchange said it would stay open for trading during local holidays in order to remain competitive.
- Sweden government has scrapped the restrictions on foreign aid credits to China that were imposed after the military crushed pro-democracy protests in Beijing in 1989.

Korea Bails Out 3 Trusts

SEOUL—The Bank of Korea will provide a 3.2 trillion won (\$4.1 billion) low-interest loan to rescue three investment-trust companies facing bankruptcy, Finance Minister Rhee Yong Man said Wednesday.

The three companies—Daehan, Hankook and Kukmin—are saddled with a combined debt of \$7.5 billion after they heeded a government order to buy shares "unlimitedly" to prop up the sagging stock market in December 1989.

The news of the bailout sent the composite stock index soaring 16 points to close at 583 at the Seoul Stock Exchange. The index had hit its low for the year, 369, on Tuesday.

Power to the Market: Malaysia Awaits Tenaga Listing

KUALA LUMPUR—Malaysia's fast-growing stock market gets a big new counter on Thursday when trading starts in the state-owned power company Tenaga Nasional Bhd.—the largest flotation yet under a major privatization program.

Analysts say unleashing Tenaga could add a staggering 24 billion ringgit (\$9.52 billion) to the market capitalization of the Kuala Lumpur Stock Exchange, a rise of nearly 14 percent from its current 175 billion ringgit.

Tenaga will be the exchange's largest company in terms of assets, with paid-up capital of 3.0 billion ringgit. It could also quickly become a darling of local and foreign fund managers.

Since the 1980s, Malaysia has embarked on a major program to sell off state enterprises, including Malaysia Airlines and the current market leader, the telecommunications concern Telekom Malaysia Bhd., which was floated in 1990.

Tenaga could rival Telekom's market capitalization if its share price exceeds 8.0 ringgit. Telekom now leads the exchange, with a

market capitalization of more than 25 billion ringgit at recent prices ranging above 12.50.

Tenaga will always trade at a 15 to 20 percent discount to Telekom," said Choong Khut Hock, representative of BZW Securities Ltd. "Telekom's revenue growth averages 17 percent a year, compared with between 12 and 15 percent for Tenaga. Tenaga is also always more vulnerable to currency volatility and changes in fuel prices," he added.

The recent strengthening of Malaysia's currency, the ringgit, favors Tenaga as it would make fuel imports cheaper, some analysts say.

They said Tenaga's shares were likely to trade between 7.50 and 8.0 ringgit, against the 4.50 offer price.

"We are recommending a buy until 7.50," said Mr. Choong of BZW. "At that level you would at least have some upside."

"The gray market is supposed to be trading at between 7.0 and 7.20 ringgit, so it will probably open at this level," said the representative of another foreign stockbrokerage. The price would also depend on the level at which shareholders, especially Tenaga em-

ployees who were allotted close to 85 million shares, are willing to sell.

Tenaga offered 685.05 million 1 ringgit shares at 4.50 each, raising more than 3.0 billion ringgit for the company.

Sixty million shares were auctioned off to local and foreign investors, attracting strong interest from foreigners who are keen on a company that virtually monopolizes power generation and supply in Malaysia.

There is a 25 percent limit on foreign ownership of Tenaga shares.

Tenaga's group pretax profit rose to 790 million ringgit for the half-year ended in February, from 188 million in the same period a year ago. Some analysts have revised forecasts of Tenaga's pretax profit for the year to August 31, to 1.5 billion ringgit, against the company's own projection of 1.07 billion.

Tenaga would trade at a price/earnings ratio of 18 times at 7.50 ringgit, about the level of the exchange as a whole, which, analysts say, has been drifting due to concerns over possible interest-rate increases.

UNION: Electrical Workers Group Stays Close to Its Blue-Collar Roots

(Continued from first finance page)

came largely at small plastics plants, where women, Hispanic workers or other minorities make up most of the work force.

Often, the union's officials complain, plant owners refuse to begin for months after the union has won a representation election, so secure in the knowledge that there are few penalties for resistance. And the spreading practice of firing striking workers has also undermined union clout.

"The right to organize really exists only on paper," Mr. Hovis said. Nevertheless, the union continues to spend heavily on organizing and trying new approaches. In a recent failed attempt to organize workers at GE's plastics plant in Parkersburg, West Virginia, the

United Electrical Workers welcomed help from the International Union of Electrical Workers.

Industrial companies remain the UE's prime target, but the newest local was formed this spring by employees of the Ohio turnpike system. The union also has welcomed approaches over the years by employees of radio stations like WBAI in New York and WBCN in Boston, which became UE locals.

Trade unionism UE style includes fervent opposition to company-sponsored quality circles, worker-team concepts and other forms of cooperation now widely used in U.S. factories to raise productivity.

In one case in 1986, members at a United Electrical local in GE's Erie, Pennsylvania, locomotive

plant removed eight officers and stewards from office for traveling with GE officials at company expense to Japan to see quality-improvement programs in action.

"If we thought the Japanese had anything to teach us, we'd pay for sending our members overseas," Adam Fioravanti, the local's business agent, said several months later.

As the UE sees it, programs like GE's are part of a never-ending effort by executives to get workers to identify their long-term welfare with company goals and to push independent unions to the sidelines.

The views of the United Electrical Workers are shared by substantial minorities in other unions and even, in some cases, by leaders.

"We haven't had any success trying to convince people not to participate in quality circles, so our policy has become to try to take them over and make them union instruments," said Bob Wages, president of the Oil, Chemical and Atomic Workers International Union.

Critics say that the rigid view of managers as "them" will only hurt the United Electrical Workers and that the UE's meager salary structure is also obsolete.

"I don't think a worker wants to be represented by another poor person," said Gabe Villareal, a former UE field organizer who now is a personnel executive in Sanger, California, for the General Cable division of Penn Central Corp.

Symbol	Stock	Div	Yld	PE	High	Low	P.A. Chg
IBM	128.00	3.00	2.34	12.8	128.00	127.00	+0.50
GE	28.00	1.00	3.57	11.2	28.00	27.50	+0.25
MSFT	34.00	0.50	1.47	10.0	34.00	33.50	+0.25
GOOG	20.00	0.25	1.25	16.0	20.00	19.50	+0.25
AMZN	18.00	0.20	1.11	16.4	18.00	17.50	+0.25
ORCL	15.00	0.15	1.00	15.0	15.00	14.50	+0.25
INTL	12.00	0.12	1.00	12.0	12.00	11.50	+0.25
WMT	10.00	0.10	1.00	10.0	10.00	9.50	+0.25
DIS	8.00	0.08	1.00	8.0	8.00	7.50	+0.25
PG	7.00	0.07	1.00	7.0	7.00	6.50	+0.25
KO	6.00	0.06	1.00	6.0	6.00	5.50	+0.25
PEP	5.00	0.05	1.00	5.0	5.00	4.50	+0.25
SBUX	4.00	0.04	1.00	4.0	4.00	3.50	+0.25
CVS	3.00	0.03	1.00	3.0	3.00	2.50	+0.25
WAL	2.00	0.02	1.00	2.0	2.00	1.50	+0.25
AMZN	1.00	0.01	1.00	1.0	1.00	0.50	+0.25

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SPORTS BASEBALL

Padres Sink Pirates in 10th

The Associated Press
Randy Myers again failed to save a game for Greg Harris, leaving it up to Darrin Jackson to save the night for the San Diego Padres. On the night when Gary Sheffield's 18-game hitting streak ended, Jackson hit a three-run home run with two outs in the bottom of the 10th to give the Padres a 6-5 home victory over the slumping Pittsburgh Pirates.

NATIONAL LEAGUE

With two outs, Benito Santiago doubled off Dennis Lamp. Kurt Stillwell was intentionally walked

before Jackson hit a 3-0 pitch over the left field fence for his sixth homer this season, sending the Pirates to their fourth straight loss and 10th in their last 11.

"Everybody has been swinging well," Jackson said after the game Tuesday. "I'm swinging well, too. I haven't been hitting the ball out of the park. I've just been getting base hits."

Lamp said: "I threw a slider, and he had to be looking fastball. But he hit a home run."

Sheffield went 0-for-5, ending the longest hitting streak in the majors this year. He grounded out four times, once into a double play, and flied out to start the bottom of the 10th.

Tom Scott (1-0) pitched the 10th for the victory. He walked two, one intentionally, but struck out Dave Clark to end the inning.

The Padres led by 3-2 entering the ninth, but for the third time this season, Myers blew a save for Harris.

Steve Buechele doubled to the base of the wall in right-center to start the ninth. Gary Varsho, pinch running, then scored on Don Slaught's single.

"I had him 0-2, and he hit a good pitch," Myers said of Slaught. Myers' ERA is now 5.63. In addition to the three blown saves, he also blew a four-run lead for Harris in a non-save situation.

"I never even thought of that," Myers said. "You save a few games in a row, you're going to blow some."

Giants 3, Cubs 2: Cory Snyder's two-out RBI single in the top of the

ninth in Chicago lifted San Francisco.

The Giants broke a 2-2 tie with three straight two-out hits off Chuck McElroy. Robby Thompson singled, moved to third on Will Clark's single and scored when Snyder followed with a line-drive single to left.

The Cubs scored single runs in the fourth and sixth for a 2-0 lead, but the Giants tied it in the seventh on Willie McCree's two-run pinch-hit double.

Phillies 5, Braves 2: Don Robinson, making his first appearance since April 21, pitched five perfect innings in Philadelphia, allowed one hit in six and combined with three relievers on a two-hitter as Philadelphia won.

Robinson, signed by the Phillies on May 22 after being waived by California, struck out five and did not walk a batter in six innings. The relievers Mike Hartley, Wally Ritchie and Mitch Williams finished, with Williams working two innings.

The Phillies took a 2-0 lead in the fourth inning off Mike Bielecki and RBI doubles by Mickey Morandini and Lenny Dykstra. Darren Daulton added a solo homer and Morandini hit a two-run, inside-the-park homer in the eighth.

Dodgers 5, Cardinals 2: Kal Daniels hit a two-run homer in the first inning in St. Louis, and Dave Hansen and Dave Anderson added consecutive solo shots in the second to power Los Angeles.

Lenny Harris doubled with one out in the first off Omar Oliveras and Daniels followed his first homer of the season. The Dodgers made it 4-0 in the second when Hansen hit his second homer of the year and Anderson followed with his first.

The Cardinals made it 5-1 in the fourth when Ozzie Smith led off with his 2,000th career hit, a triple, and scored on Felix Jose's sacrifice fly. Smith became the 15th active player to reach the 2,000-hit mark.

Astros 9, Expos 4: In Montreal, Steve Finley drove in four runs with a two-run single and a two-run triple as Houston handed the Expos their third straight loss after two victories under their new manager, Felipe Alou.



Mel Hall of the Yankees came in low to make it safely to third on a triple in the first as the ball skipped past Scott Lefes of the Twins.

Yankees Hold On to Win in Metrodome

By Jack Curry
New York Times Service

Call it a field of screams, a haunted house or a doomed dome. Whatever description is used for the Metrodome, the obvious point is that the New York Yankees had trouble winning here last season. They lost all six games to the Twins.

So when Tim Lary strolled to the mound for the first time in 10 days against the Twins,

AMERICAN LEAGUE

pardon Yankee fans for feeling queasy. Minnesota had won 11 of its last 14 games and five straight at home.

Leary? He had been blitzed for 14 runs in his previous three starts and was rekindling memories of his horrible 1991, when his 6.49 earned-run average was the poorest in Yankee history.

It could have been a laughier, but the streaking Yankees were the ones smiling Tuesday night in Minneapolis because they vanquished the Metrodome and the Twins, 5-4.

Leary gave the Yankees 7¹/₂ competent innings on a night when the bullpen desperately needed a rest. Steve Howe did have to get the

final five outs to earn his sixth save, but manager Buck Showalter did not mind that at all.

The Yankees won for the tenth time in 13 games and for the first time at the Metrodome since July 22, 1990.

But it was not easy. With a 5-0 lead, Leary was victimized by bloop hits in the sixth inning that helped the Twins to three runs.

In other games, *The Associated Press* reported: Rangers 6, White Sox 5: In Arlington, Texas, Dean Palmer and Ivan Rodriguez hit solo home runs to help Texas to its eighth victory in nine games. Jose Guzman pitched seven innings and struck out five.

Edwin Nunez, acquired Monday in a trade with Milwaukee, relieved with two on and two out in the ninth, and Texas ahead, 6-4. He gave up an RBI single to Frank Thomas, but retired George Bell on a fly ball for his first save.

Tigers 8, Royals 1: Bill Gullickson earned his sixth straight victory and Rob Deer and Mark Carreon had homers as Detroit won at home. Gullickson needed only 83 pitches in his third complete game. He pitched a six-hitter, had no walks or strikeouts and retired 17 of the final 19 batters.

Deer hit his 14th homer, a two-run shot in the seventh that made it 4-1. Carreon hit a three-run drive, his fifth, in the eighth.

Blue Jays 5, Brewers 4: In Toronto, Joe Carter hit a two-run homer, and Kelly Gruber and Pat Borders hit solo home runs to power the Blue Jays.

Dave Stieb allowed three runs on five hits in seven innings. Tom Henke pitched the ninth, giving up Darryl Hamilton's solo home run with two outs, for his seventh save.

Orioles 13, Mariners 8: In Seattle, Glenn Davis showed the kind of power that Baltimore wants him to provide, hitting a pair of two-run homers against the Mariners.

Davis, mostly on the disabled list since the Orioles got him before last season, began the day with one homer in 44 at-bats this year. His two home runs helped Baltimore take a 10-0 lead in the fourth inning.

Indians 1, Athletics 0: Dave Otto came off the disabled list to pitch six strong innings in Oakland, California, and Mark Lewis homered in the fifth off Bob Weick for the game's only run.

Red Sox 4, Angels 1: Roger Clemens pitched two-hit ball for eight innings in Anaheim, California, and stopped California for the seventh straight time.

The Swing Is Back: Bonilla Hits Groove

By Dave Anderson
New York Times Service

NEW YORK — It's as much art as profession: trying to hit a moving, spinning, speeding baseball with a roundish, polished piece of ash wood. And if Ted Williams, hailed for having done it better than anybody else, considered it "the most difficult single thing in sports," think how much more difficult it is for anybody else.

Particularly for anybody who's trying too hard to do it. As Bobby Bonilla discovered.

The night the New York Mets opened the season in St. Louis, the 29-year-old slugger with the \$29

million contract opened with two home runs. Off that performance, it seemed that maybe he would be different, that maybe he wouldn't struggle under the burden of trying to justify all the millions he had collected as a free agent.

For all his Mr. October reputation, Reggie Jackson wasn't even Mr. May in 1977, his first season with the New York Yankees.

"I made a mistake," he said during his slow start this year. "I should've signed with the San Diego Padres."

It wasn't a mistake. It was just a matter of time before Jackson started swinging the same way he had with the Oakland Athletics in building his reputation. When the Yankees won that year's World Series, he hit a record five home runs, including three in the final game.

Throughout the free-agent era, several slingers have struggled as newly minted multimillionaires, especially early in the first season after joining a new team. Dave Winfield with the Yankees, Darryl Strawberry with the Los Angeles Dodgers, and this year, Bonilla.

After those two opening-night homers, Bonilla didn't hit another homer until last week when he finally found what he was searching for: the same swing he used in a Pittsburgh Pirates uniform. When the Mets returned to Shea Stadium for their current series with the Cincinnati Reds, he had crashed 3

batters and driven in 11 runs in his previous six games.

But what exactly had Bonilla found in studying videotapes of his swing last season?

"Batting left-handed," the switch-slugger explained, "I was holding my bat out over my shoulder instead of holding it close to my neck. Right-handed, I was holding my hands four or five inches higher. It's as simple as that."

Tom McCraw, the Mets' batting coach, had one word to describe Bonilla's problem: tension.

"Hold your arm out straight. Feel the tension," McCraw said. "But if you bend your arm, no tension."

Reflecting on his slump, Bonilla acknowledged that the tension in his arm had been created by the tension in trying to justify all the Mets' fans his five-year, \$23-million contract.

"You can say, 'It's not going to happen to me,'" he said, "but you just want to do so well, you're trying to do things you didn't do before. You're trying to hit a three-run homer with nobody on."

Bonilla had asked the Pirates for tapes of last season's games, but the tapes never arrived.

Maybe the Pirates simply didn't want to help a National League East rival. Whatever the reason, Jay Florio, of the Major League Baseball Productions to produce, or some tapes of Bonilla's at-bats with the Pirates last season.

Bonilla's sudden slump lifted his stats on the road this season to .333 with 5 homers and 25 runs batted in. But at Shea Stadium, he has yet to hit a homer while batting .161 with only four runs batted in.

Some tension obviously still exists for Bonilla to produce at Shea Stadium. But the tension hasn't been quite the same for another newly minted multimillionaire, Dean Tardella of the Yankees, who was out of sight and out of mind during a stay on the disabled list. The \$2.5 million outfielder is hitting home runs now, notably a grand slam in a nine-run inning Monday, but Don Mattingly seems to be surrounded by more tension than Tardella.

"I really don't want to talk about any swing," Mattingly keeps saying.

BOOKS

SALARYMAN

By Meg Pei. 296 pages. \$21. Viking Viking Inc., 375 Hudson Street, New York, New York 10014.

Reviewed by Michiko Kakutani

A HERO STUCK in a rut, too innocent or naive to realize that the placid surface of his life conceals a host of anxieties and resentments. A series of experiences and losses that trigger a spiritual and emotional reassessment. The hero's gradual realization that he can and must change his life.

It's a familiar recipe for a bildungsroman, and Meg Pei uses it deftly in her first novel, "Salaryman." To tell the story of a Japanese corporate executive named Jun Shimada. When we first meet him, Jun is almost a parody of the stereotypical Japanese businessman: a hard-working grind with tunnel vision, who obediently conforms to all the corporate rules.

Jun works for Yamamoto Corp., the fifth-largest electronics company in the world, and he firmly believes in the advice set out in the office manual: "Every day must have a plan, a track upon which to ride the restless sea of one's ambition. Life, within the office and beyond, should be organized, structured."

This structured office environment provides Jun with a welcome refuge from the volatile emotions he knew as a child

—his father was a Mishima-like writer, who committed suicide. For five years he has slaved away in the Tokyo office.

He has acquired a healthy bank account and an apartment filled with lots of Yamamoto products—kitchen gadgets, televisions, clocks. All is right with the world, Jun thinks: "I was young, healthy, intelligent, I had a wife and a baby daughter, a clean home, acquaintances."

All this abruptly changes when he is transferred to New York. Jun's wife, Taeko, is miserable in the United States; she is unable to learn the language, afraid of venturing into the city. She spends half her time crying in the basement of their Long Island home, the rest of her time carrying on an affair with her doctor.

As for Jun, he is miserable as well. He has become the boss's pet, and must spend hours performing demeaning chores like getting monograms put on his boss's shirts and making dinner and limousine reservations. He feels alienated from his co-workers, and equally estranged from the confusing world of Americans outside.

Pei has fashioned an engaging, straightforward voice for Jun, and he relates his adventures in America with a mixture of humor and wry detachment.

Given the current tensions between Japan and the United States, the reader might expect to find a fair amount of multicultural comparisons between Japanese and U.S. business methods, social mores, lifestyles and manners. Surprisingly, this is the weakest area of

the book. Jun's observations tend to take the form of the broadest cultural clichés. Americans, in his view, are great believers in individualism, while the Japanese see themselves as cogs in a huge machine.

As "Salaryman" progresses, the reader realizes that Pei isn't really interested in exploring the differences between Japanese and American societies. She isn't even particularly interested in the fish-out-of-water aspects of Jun's story. Her focus—almost her sole focus—is on Jun's transformation, his butterfly-like metamorphosis from driven company man to conflicted individual.

That transformation is achieved at the expense of considerable pain: Jun's loss of his wife and children; his loss of face at his job; his loss of a secure future.

An affair with a young Italian-American woman, several bouts of dangerous drinking and a life-threatening ulcer also contribute to Jun's realization that he's "done nothing true" with his life so far.

His descent into confusion and despair—and his subsequent determination to reinvent the second half of his life—are related with authority and brio. Indeed, the reader finishes "Salaryman" looking forward to Pei's next book, and also marveling that this completely self-assured novel marks her debut.

Michiko Kakutani is on the staff of The New York Times.

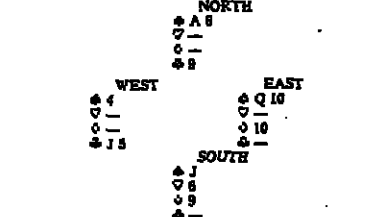
BRIDGE

By Alan Truscott

ROY Welland and Christal Heener, both of New York, won the regional Swiss Team title in Crowned, Conn., in February. On the diagrammed deal from the Knockout Teams in the state tournament, Welland played neatly to overcome a bad trump split in an aggressive slam contract.

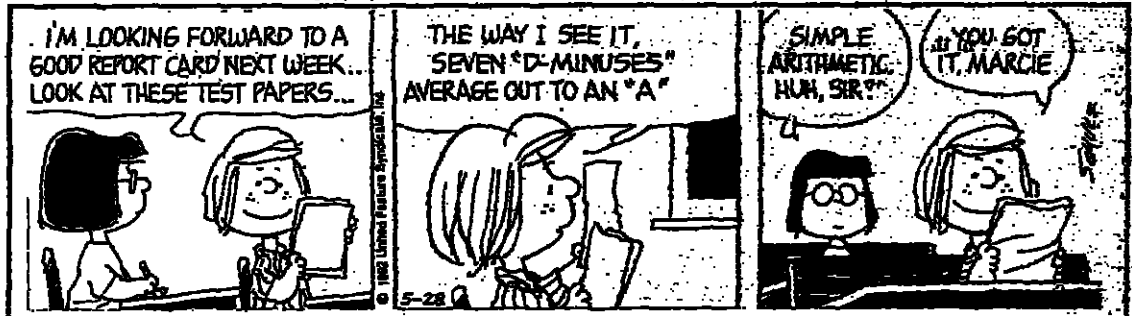
The bidding marked East with a spade-diamond two-suiter, and West chose a diamond lead. The jack was covered by the king and ace, and South cashed the queen. When a third diamond was played West ruffed with the five. This forced South to overruff with the queen and made another diamond ruff impractical.

With a good idea of the distribution, South looked ahead to the endgame in search of a 12th trick. He drew all the missing trumps in four rounds, led to the club ace, and surrendered a club trick to West. A spade was led to dummy's king, reaching this position:



Now dummy's club was ruffed, and East had to surrender: he could not protect both spades and diamonds.

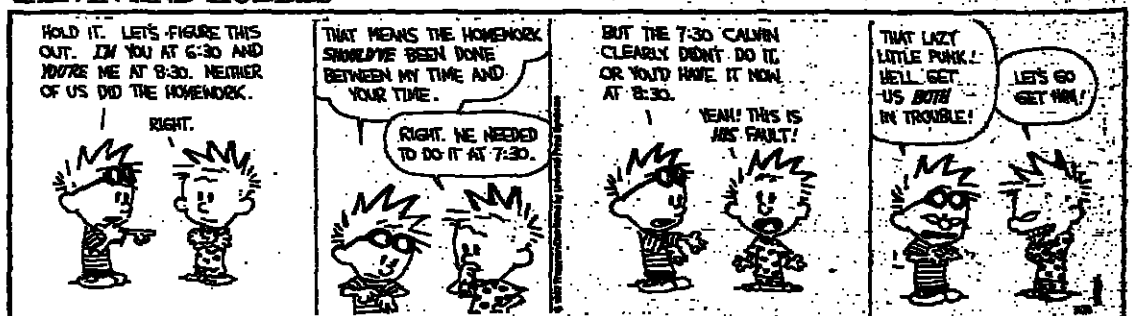
PEANUTS



BEEBLE BAILEY



CALVIN AND HOBBES



WIZARD OF ID



REX MORGAN



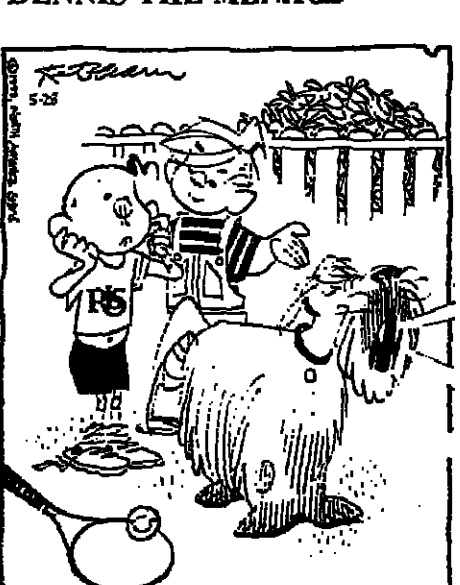
GARFIELD



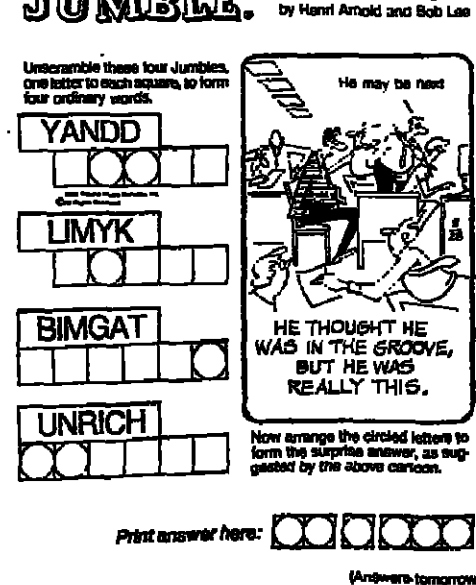
DOONESBURY



DENNIS THE MENACE



JUMBLE



BLONDIE



SPORTS FRENCH OPEN

Connors Falls to Stich in 5-Set Opener

By Ian Thomsen

International Herald Tribune PARIS — "Why do I do this to myself?" Jimmy Connors asked. "Seriously!"

He looked as if he had spent the afternoon playing in a puddle of red mud. Every bit of him was soaking wet. He was never going to get the red clay out of those socks.

All around him there were at least 16,000 people, chanting his name the way every little boy dreams they will someday.

Jimmy Connors was standing on the red dusty floor of Center Court at Roland Garros at 2:58 P.M. on Wednesday in the first round of the French Open starting up at a friend in the stands.

Connors was smiling exactly like the little boy Calvin does in the newspaper comic strip "Calvin and Hobbes." Jimmy is 39 years old.

"Because you love it," his friend told him. "Oh," Connors said, nodding. "O.K."

He spun around, back out to an arena humid with ovation, where he hit the ball as hard as he could and chased it everywhere it went until he had once more held his serve against a 6-foot, 4-inch (1.93-meter) mariner from Germany.

According to the scoreboard, which is just an automatic teller machine, a local cash register to many players, including Connors in his early years, their match was absolutely even, 2-2, in the third set. By any other measurement of lasting value Connors was the winner, winning as big as any tennis player ever has.

Why does a little boy grow up playing tennis? To be the best. To be loved by everybody. On this day, doing what he was trying to do and nothing more, Connors was the best there ever was. He was loved by everybody.

Dancing back toward his friend he had to shout, they were crying out his name so loud. "Here we go again," Connors was saying, and he pinnetted himself around like his racket was a guitar.

He was going to lose the match. It's best to get that news out of the way now, so as to manage the expectations, and escape the disappointment.

Michael Stich, 23 years old, who won Wimbledon last year, beat Connors 7-5, 3-6, 6-7 (4-7), 6-1, 6-2, in 3 hours, 52 minutes. Connors could have won it in three. It was better for everyone that he lost in five. It allowed him to play a two-set encore.

"I think basically there's not as much emphasis put on winning and on being the absolute best anymore," Connors said long after his match was over, trying to fathom his popularity. "To some guys there might be, but to others, I think they are very satisfied with the amount of money they're making, which is good. I mean, there is an overabundance of money in the game, and winning doesn't bring in the money as it did 15 years ago."

The only way to make a living when I first got in the game was to win. It is a different breed of player than it was 20 years ago."

They were cheering the moment they saw him, crying out his name from every part of the stadium as if the voices were all behind bars and Connors was twirling the only key.

He had advanced three rounds into the tournament last year, and then into a semifinal in the U.S. Open, but this time, if you wished to be logical, he had no chance. Stich broke him in the third game, and in the sixth Connors stumbled in the dirt and turned his knee, hopping around on one leg. He walked circles in pain, wiped off his racket, took a Stich forehead off of the tape and put the point away, forcing deuce. He turned and fired imaginary six-shooters at the audience, suddenly limping not a bit.

The water was running a hot fizzle while at the bottom of the pot, Stich missed his first serve and as he bounced his second ball a voice cried out nearby. "Ha ha ha."

Stich stopped and tilted his head, looking into the crowd. Then he double-faulted. Connors broke him two games later, and at 5-4 in the



Jimmy Connors fought but went under, 7-5, 3-6, 6-7 (4-7), 6-1, 6-2.

Stich's serve. Stich won both, then turned around and broke Connors, and that was the match. Connors cannot win in five sets any longer. He can only try.

"My time and McEnroe's time," said Connors of his rival John McEnroe, who was knocked out of the first round Tuesday. "We've had it. Isn't it time for somebody else to take over? And I don't know if that's happening. When they hand the ball off to me and McEnroe and [Bjorn] Borg and that group, we took it on the 40 and got down to the 3 yard line. Now we want somebody to take it from the 3 yard line, and is that going to be me handing off to McEnroe?"

Stich broke him early in the second set, but Connors broke right back, and then he walked over to his chair and wiped his racket, which allowed the crowd to read what he was feeling, that he was going to win this set. He broke Stich that time and he broke him the next time, and he turned around to his friend and shouted that he was going to attack Stich's forehead every ball, every ball, and on the other side of the court the No. 5 player of the world was but a

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Rain Delays Courier-Muster After Chang and Graf Win

By Nick Stout

International Herald Tribune

PARIS — Several thousand youngsters invaded the grounds of Roland Garros Stadium on Wednesday, taking advantage of the annual Children's Day at the French Open when a large number of tickets are reserved for them.

Some of the lucky ones — those who made it into the upper rafters of the Center Court — witnessed what might have been Jimmy Connors's French Open farewell. Many of them waited out the rain shower that broke moments too late to save Connors and returned to their places under a considerably darkened sky to have a look at the defending champion.

But Jimmy Connors and his Austrian challenger, Thomas Muster, had played only 11 minutes when the skies opened up again, sending everybody scurrying for cover. The score was 1-0, 40-40 for Connors.

Since the Center Court could not accommodate all of the children who came here Wednesday, most had to content themselves with roaming the colorful pavilion. There may not have been any spectators outside, but there was plenty of tennis to watch on the auxiliary courts — at least while the sun held out.

The children, many of them aspiring tennis players affiliated with the 37 leagues of the French Tennis Federation, might have observed Michael Chang finish off the Dutchman Paul Haarhuis, 6-4, 6-3, 6-3. Maybe they saw Aaron Krickstein, the much improved Detroit who is seeded No. 13, beat Mark Koevermans, another Dutchman, 3-6, 6-3, 6-1, 6-3.

Girls who faced the fact that they were not going to see Andre Agassi might have bought a poster with his picture and then wandered over to watch Steffi Graf in the hope that Nathalie Housset might make some history for France.

But there was no chance of that happening, as Graf, who is seeded to meet Monica Seles in the final June 6, handily defeated her 23-year-old French opponent, 6-2, 6-1.

On another court, the popular Floridian Mary Joe Fernandez outmuscled her compatriot Shann Stafford, 6-1, 6-4.

Fernandez is only 20 but she seems to have been around forever — that tall, olive-skinned figure who is always there as the Grand Slams reach the scorching rounds but who has never been able to claim a trophy. Her closest calls were the 1990 and 1992 finals of the Australian Open.

"I played Graf in one and Seles in the other," Fernandez recalled with a sigh.

Ranked No. 6, Fernandez has been under the tutelage of the old-pro Harold Solomon since December. She seems convinced that her day will come.

"I see things clearer now than I used to," Fernandez said. "He's been showing me things that I can do that other players can't do."

"He's got me thinking that it's all right to lose right now. That's hard for me to comprehend. But slowly but surely I'll be there."

One woman who has already been there, Arantxa Sanchez Vicario, advanced to the third round with a 6-3, 6-2 triumph over Emanuela Zardo of Switzerland.

Like Chang, Sanchez Vicario was 17 when she won the championship here in 1989. Coincidentally, both she and Chang won "The Lipson" championships this year in Key Biscayne, Florida. Does that portend anything significant?

"We are friends, and we look very similar because we are not very tall," Sanchez Vicario said. "We run a lot, and he also feels good when he plays here because it is, I think, his favorite tournament. I think both of us are doing well, and we are going to continue being strong and having good results. And we are happy."

Chang, whose impressive spring has included championships also in San Francisco and Indian Wells, California, was happy to have beaten Haarhuis, the man who defeated him three weeks ago in Hamburg, 7-4, 7-6.

The match began Tuesday evening but was suspended after two sets when it became too dark to continue.

"Everybody is too good," said Chang, whose ranking has risen to No. 6. "I mean, guys are just too big. They are hitting too hard. They cover the net too well, and you just have to mix it up, and play more of an unpredictable game to try and keep things unbalanced on their side."

It was three years ago when Chang's unpredictability — remember the underhand serve that threw Ivan Lendl into a stupor — won him the French championship at age 17.

"When that I just kind of hung Chang said, "they think that I just kind of hung and hit passing shots. But if you ever get a chance to look back at some of the matches, I was actually very aggressive."

Chang described himself as "a little bit wiser, a little bit stronger."

"Whenever another Grand Slam comes around, I'm able to think that I have a legitimate shot at winning it, not that I just want to do well."

Blazers Outlast Jazz, 127-121, in OT to Move Within One

By Michael Martinez

New York Times Service PORTLAND, Oregon — The Portland Trail Blazers, leading by 14 points in the first half, tied by the end of the third period and trailing late in the fourth, managed to regroup but still headed over time to finally put away the Utah Jazz, 127-121.

The outcome put the Trail Blazers within one victory of reaching the National Basketball Association championship round for the second time in three years.

They can do so by beating the Jazz in Game 6 on Thursday in Salt Lake City, where Utah has gone 4-5 this season.

The Blazers had the victory all but sealed Tuesday night until Delaney Rudd hit a 3-pointer for Utah with 5.5 seconds to play in the fourth quarter to tie the game at 107-107 and send it into overtime. They were the first points in the game for Rudd.

But in the five-minute extra session, Portland seized the lead for good at 112-110, with Clyde Drexler showing the way with 4 points. For the game, Drexler had 24 points, as did his teammate Kevin Duckworth and Terry Porter. The Blazers' leading scorer was Jerome Kersey with 29.

Karl Malone led Utah with 36 points and Tyrone Corbin had 28.

Utah began the game without forward David Benoit, a starter in each of the team's nine previous playoff games. Benoit returned home to Louisiana after the death Monday of his father, who had been ill with cancer. It was uncertain if Benoit would have to bring Blue Edwards off the bench as a starter. Edwards had given the Jazz an emotional charge in Sunday's triumph that tied the series, scoring 16 points and adding 3 steals and 3 rebounds in 27 minutes.

They were tied with the Jazz, 8-8, before running off 10 unanswered points, 6 from Kevin Duckworth, to put into an 18-8 advantage. It became a 14-point lead, 44-30, thanks largely to the Blazers' aggressiveness on the offensive boards, before Utah slowly chipped away.

The Jazz got one basket from Mike Brown and two in a row from Tyrone Corbin to cut the margin to 46-43, before the Blazers surged once again to take a 50-40 lead at halftime.

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Jeff Malone answered back with a basket after a pass from John Stockton.

Clyde Drexler made one of two free throws, and after Portland's Jack Williams blocked a shot by Edwards at the Jazz end, the Blazers bounced back quickly when Jerome Kersey converted on a dunk off the fast break for a 53-45 lead.

Edwards' jump shot cut it to 6 points, but then Porter made a 3-point basket. Another fast break — this one ending with a Drexler-to-Kersey pass for a repeat dunk — pushed the lead to 58-47.

The Jazz were dealt a difficult blow in the closing seconds of the half when Drexler inadvertently flipped a finger in the right eye of Stockton after getting the ball knocked from his grasp.

Stockton lay on the floor for several moments, then was helped toward the locker room, but he wasn't in the Utah lineup — or even on the court — when the third period began. Later, it was announced that Stockton was not expected to return.

Portland shot 54.5 percent in the first two quarters, getting 15 points from Kersey, 12 from Duckworth and 11 from Porter. Utah made just 44 percent, as Edwards and Stockton were a combined 2-for-12. The Malone, Karl and Jeff, totaled 21.

Corbin, coming off the bench, converted 7-of-9 for 17 points in 15 minutes.

The Jazz were forced to play the second half without their playmaking guard, Stockton, who suffered a swollen right eye and was experiencing double vision.

Even without Stockton, Utah was able to mount a persistent comeback, rallying from an 8-point halftime deficit and tying the game, 84-84, as the final quarter began.

Lemieux Hands Penguins Game 1

By Dave Sell

Washington Post Service

PITTSBURGH — Pittsburgh's Mario Lemieux was bussed constantly by the Chicago Blackhawks, but he broke free when it counted most and scored his second goal of the game with just 12.6 seconds left in the third period to give the Penguins a 5-4 victory over the Blackhawks in Game 1 of the Stanley Cup finals.

It was an amazing finish to a game that seemed destined to disappoint the Penguins. Chicago's winning streak snapped.

The Blackhawks took a 3-0 first-period lead on goals by Chris Chelios, Michel Goulet and Dirk Gauer.

Brent Sutter scored for a 4-1 lead after Phil Bourque put the Penguins on the board. But Belfour then allowed a power play goal to Rick Tocchet and one to Lemieux, leaving the Blackhawks with a 4-3 lead heading into the third period.

SIDELINES

U.S. Sumo Star Gets Champion Rank TOKYO (UPI) — The U.S. sumo wrestler Akebono, who won the summer tournament with a 13-2 record, was promoted Wednesday to become the second non-Japanese in the sport's history elevated to the rank of aoki, or champion.

The Japan Sumo Association said the decision to promote the 33-year-old Akebono, whose real name is Chad Rowan, from sekwake, or junior champion, came at the Board of Judges meeting convened to discuss new rankings for the next tournament, in Nagoya in July.

For the Record The Philadelphia 76ers named Doug Moe on Wednesday as coach of the Philadelphia 76ers in a top-level shake-up, replacing Jim Lynum who took over Gene Shue's job as general manager. Shue became director of player-personnel. (AP)

The Golden State Warriors have signed Sarunas Marciulionis, a Lithuanian and formerly one of the top players in Europe, to a five-year contract worth a reported \$10.4 million. (AP)

Astid Strauss, the former world swimming champion suspended last week after a positive drug test, won a court order Wednesday enabling her to take part in Germany's Olympic trials, which start on Thursday. The German Swimming Federation suspended Strauss on Friday, pending a full investigation; she faces a possible six-month ban. (Reuters)

Yugoslavia may be banned from next month's European soccer championship finals in Sweden by UEFA, the European football union. The UEFA president, Lennart Johansson, said Wednesday that because of the calls for international sanctions against Serbia, "we have to review the situation in the light of what has happened lately." (Reuters)

SCOREBOARD

BASEBALL

Major League Standings

Table with columns for Division, Team, W, L, Pct., GB. Includes Eastern, Western, and National League divisions.

Japanese Baseball

Table with columns for Team, W, L, Pct., GB. Lists various Japanese teams like Yakult, Hiroshima, Hanshin, etc.

HOCKEY

Stanley Cup Finals

Table showing Stanley Cup Finals results: Pittsburgh leads series 3-1.

BASKETBALL

NBA Playoffs

Table showing NBA Playoffs Western Conference Finals: Portland leads series 3-0.

GYMNASIUM

Giro d'Italia

Results Wednesday in the 4th stage of the Giro d'Italia: 205 miles from Ancona to Salsomaggiore, 1. Miguel Indurain.

French Open

INTERNATIONAL FRIENDLY

Table showing international friendly matches: Poland 1, Czechoslovakia 0.

BASEBALL

American League

Table showing American League results: Cleveland-Optimized Dave Radek, infielder, in Colorado Springs, Pacific Coast League.

NEW YORK

Table showing New York sports news: Activated Gianluigi Buffon, outfielder, in Denver, Colorado Springs.

Large advertisement for AT&T USADirect Service, featuring the slogan 'Feeling Misunderstood?' and 'AT&T USADirect Service makes it easy to call home.' Includes a grid of international phone numbers.

ART BUCHWALD

No Politics, Please

WASHINGTON — I hadn't seen Greg Carr for months. So when I ran into him at a political rally I was surprised that he was wearing a straw hat that said "Carr for President."

There was a long line of mothers waiting for Carr to kiss their babies.

"Are you serious about running for president?" I asked him.

"As serious as Ross Perot," he grinned.

"What made you decide?"

"Well, I was sitting in a bar arguing with a bunch of guys about the state of the union when Lee Narow got mad at me and said, 'What do you know about running the country?'"

"I replied, 'I don't know anything. Everybody in the bar cheered and said they would vote for me.'"

"I didn't think much about it until the next day when I was walking down the street and Hilde Weingarten Keves came up to me and said, 'I hear you're running for president of the United States.' I told her I hadn't made up my mind yet and she said, 'That's good enough for me. Here's a \$100 for your campaign.'"

"And that's when you decided to throw your hat into the ring?"

"Not really. I figured if I threw my hat in the ring and announced for president people wouldn't trust me. So I'm just traveling around kissing babies, shaking hands with firemen and keeping my thoughts to myself."

"Are you trying to tell me that you don't have great ideas on the budget deficit?"

"I've seen budget deficits in my time but I've never inhaled one."

have discovered that the American people are always lying to their politicians. They tell the pollsters that they want to know where the candidates stand on the issues, but they don't really want to hear anything. The only time the electorate sits up and listens is if someone attacks Murphy Brown. I haven't said one damn thing on abortion, and all the people love me. Every time I keep my lips closed I rise in the polls by five points. Bush and Clinton and Perot don't know what to do about me."

"Have you attacked the other candidates?"

"Well, I came up with a bumper sticker for President Bush. How do you like it? 'IF IT'S BROKE, DON'T FIX IT.'"

"That's good. I know you don't want to talk about the problems, but have you thought much about what you would do if you moved into the White House?"

"I'd get me a dog. I know from my research that dogs love the place. I'd meet with the winning Super Bowl team. If Queen Elizabeth comes over I'd play touch football with her on the lawn."

"Would you sneak any girls into the White House?"

"I told you that I wouldn't answer any political questions."

"Greg, while we've been standing here you have kissed 100 babies and shaken hands with 150 senior citizens. Doesn't it frighten you to think that you might become the leader of the most powerful nation on earth?"

"It would if I knew what I was going to do. But since I have no plans, I can just sit back and enjoy it."

"What makes you so certain that you could win?"

"Well, sooner or later, Ross Perot will have to declare himself on the issues. Then I'll be the only one left that the American people can trust."



Buchwald

In Poland, a New Era Upstages Chekhov

By Mary Battiata

WARSAW — The usual humiliating ritual had begun. Once again, the curtain for "The Seagull" was delayed. The cast and audience on the small side stage of the Dramatyczny Theater cooled their heels and waited for a break in the electrified thumping from the big stage next door.

There, Poland's first commercial rock musical, "Metro," was mesmerizing another sellout crowd. Lasers strafed the huge hall; dancers pranced in black light. Rock lyrics told the story of a troupe of ragged young dancers and singers who beat the odds to put on a show.

"We are supposed to begin our play in total silence," Tolo Ostuch, a "Seagull" actor, said gloomily. "But we never get perfect silence, so we begin when I decide the noise level has gone down as far as it's going to go."

Just as plays dramatize real-life conflicts, the backstage battle between Chekhov and a Polish rock musical reflects a cultural tremor that is rumbling across post-Communist Europe.

A change is under way, driven by money, or the lack of it, and it involves the triumph of moxie over a calcified system. As huge state subsidies for the arts shrink, venerable cultural institutions are crumbling and a private arts establishment is beginning to emerge.

But the change is also about shattered careers and lost status, bewilderment and bruised egos, a lost sense of accomplishment.

While thousands of enthusiastic "Metro" patrons continue to vote with their wallets for the new, there is concern that something irreplaceable is being lost as institutions collapse and their human assets — actors, dancers, directors — scatter like petals in a strong wind.

In Czechoslovakia, theaters that quite literally played a starring role in the "Velvet Revolution" of 1989 are being squeezed by shrinking state subsidies, staff reductions and the search for corporate sponsors.

In Romania, the Ministry of Culture does not even have enough money to rebuild the National Library, which was gutted during that country's bloody 1989 revolution. There is next to nothing available to fund cultural events. In Bucharest this spring, the National Theater premiered a show called "Who Needs Theater?"

In Poland, the financially strapped government has handed over about a third of the country's 65 state-owned theaters to local city managers, who in turn are auctioning them to the highest bidder. Some state theaters are closing, others play just one or two nights a week, and still others are being appraised by developers who want to turn them into luxury apartments.

As theater subsidies contract by as much as 30 percent a year, actors accustomed to lifetime employment at the same theater company are piling costumes and props into old buses and heading off for two-night stands in distant factory towns. Warsaw theaters, competing for shrinking audiences, stage commercial and sometimes tacky productions of Western



David Suter

plays. A recent production of Tennessee Williams' "Cat on a Hot Tin Roof" at the Powszechny Theater looked very much like an episode of "Dallas."

The war for control of Warsaw's biggest and best theater pits an impoverished company of artists being forcibly weaned from state subsidies against a hard-nosed but stage-struck capitalist.

The capitalist is winning, hands down. Victor Kubiak put \$2 million of his own money into producing "Metro." But even before he managed to secure the Dramatyczny's center stage, his holdings had established him as a one-man cultural wave. He owns Warsaw's two best cinemas, a newspaper, four theaters, a chain of bookstores and even a piece of the Warsaw stock exchange.

"Someone has to lose for someone else to win," shrugged Kubiak, as he leaned back in his chair on the 18th floor of the gleaming Marriott office tower.

Kubiak, 47, is unabashed about his millions and the good political connections they lubricate.

A Polish Jew, he left Warsaw University for Sweden during the Communist regime's anti-Semitic campaign of 1968 and went on to make a fortune selling Western machine tools to Poland and exporting timber.

After the collapse of Communist rule in 1989, Kubiak played the margin between the old system and new, trading profitably in Russian rubles while that was good business. He later bought up and resold commercial tax exemptions issued by the Solidarity governments, ingratiating himself with two Solidarity prime ministers, and helped fund the presidential campaign of Lech Walesa.

His \$7 million gamble, "Metro," bombed on Broadway this spring, closing after eight performances. Critics called it "gloomy and jerky" and said the translated book and lyrics were "a string of flower-child aphorisms and political platitudes." But in Warsaw, "Metro" continues to sell out after nearly a year and a half.

Poland's first big-time private theater producer is either the savior of post-Communist theater or the barbarian at the gate. It depends on who is talking.

"We used to have state monopoly; now we have Mr. Kubiak," said one actor at the Dramatyczny.

In fact, the "barbarian" was invited. More than a year ago, the Dramatyczny's artistic director, Maciej Prus, a veteran actor and respected director, offered Kubiak use of the main stage two nights a week.

Prus's budget was evaporating. He needed Kubiak's rent to bankroll his plan to restore the Dramatyczny to the artistic luster it enjoyed in the 1970s. What Prus did not foresee was the astonishing popularity of "Metro."

Kubiak soon needed not just two nights a week at the 664-seat theater, as had been agreed, but five nights. Prus and his repertoire of classical plays, he suggested, should move to the small stage.

Prus refused, at first, but box-office pressure and Kubiak's clout forced him to give way. The humiliation of demotion to a 100-seat secondary stage in the same theater turned to alarm this spring when the city government awarded Kubiak an exclusive 10-year lease on the theater.

Alarm deepened to outright panic this month when the theater's new manager, a Kubiak lieutenant, presented the troupe's best actors with a take-it-or-leave-it contract that offered employment on a show-by-show basis.

Belatedly, Prus made his own bid to keep the theater in state hands. He won the sympathy of fellow artists but no lease.

"The history and tradition of the Dramatyczny Theater can't just be tossed out," he said. "I never thought the city would allow its best theater to be sold out from under it."

"I'm not a killer," Kubiak responded. "I never wanted to kick anyone out. I wanted to cooperate. I offered him other theaters. But he didn't want! They wanted to kill me! I did more in four nights than they did all year. I'm a commercial operation, and they got in the way."

Many Poles, including Prus, agree that change in the theater system nurtured by communism was long overdue. Generous subsidies had given the directors the freedom to be daring, within certain political constraints. In the 1960s and '70s, Poland's avant-garde productions were internationally acclaimed. By the 1980s, however, the golden age was over. Socialist subsidies bred complacency and mediocrity.

There were theaters without audiences, and theaters that played only to schoolchildren, theaters that were empty because tickets had been distributed to factory workers who never bothered to attend.

Prus, who was hired by the state in 1990, tried to streamline the theater staff and inject energy into its repertoire. There were successes. The "Seagull" that waits for the noise of "Metro" to subside is powerful enough to hush Friday night audiences of restless high school students.

But it has not been enough. The house is often less than full. There have been flops. Prus acknowledges he has lost and does not expect to remain at the Dramatyczny beyond June.

Kubiak's sharp elbows and high self-regard annoy and exasperate most theater people in Poland. But in a country that has no money for the arts, his popular touch, his deep pockets and his sheer gall may be too valuable to disdain.

"O.K., maybe Kubiak is rude, maybe he's ugly, but he's the only one who has tried," said Malgorzata Potocka, an independent film producer. "They should be praying for 100 Kubiaks."

PEOPLE

Those Who Rent Houses Shouldn't Throw Stones

As Dan Quayle criticizes the collapse of family values and Murphy Brown's husbandless motherhood, he may want to look in his own backyard. The Quayles have been renting their McLean, Virginia, house to an unmarried couple, a doctor and a lawyer raising her two children from a previous marriage. A Quayle spokesman, when asked whether this was not at odds with Quayle's recent public pronouncements, said: "He's got no idea who's renting the place. It's handled by a management company. It's against the law in Fairfax County to ask whether somebody's married." But there may be another slight, if rarely enunciated, legal complication. Peter Greenspan, a Virginia criminal lawyer, says unmarried couples who live as husband and wife in the state "are in jeopardy of being in violation of various misdemeanor and felony statutes."

Anjelica Huston has married Robert Graham, a sculptor, at the Bel Air Hotel in Los Angeles. The wedding party included the model Jerry Hall, wife of Mick Jagger. The guests included Jagger, Lauren Bacall, Warren Beatty and Annette Bening, Meryl Streep, Arnold Schwarzenegger and Joe Pesci. Huston, 40, the daughter of the late film director John Huston, won an Oscar as best supporting actress in 1985 for "Prizzi's Honor."

The biggest attraction, by far, of the American Booksellers Association convention in Anaheim, California, has not been the hot new fall books or the beautifully repackaged classics or the nifty new-wave electronic publishing. The longest lines and the loudest cheers were for the Rock Bottom Remainers. The Remainers are a rock band formed by some best-selling authors, including Stephen King on electric guitar, Amy Tan singing backup vocals, Dave Barry on a variety of guitars, Barbara Kingsolver on electric keyboard and Michael Dorris on tambourine.

Thurgood Marshall, retired U.S. Supreme Court justice, has been named the recipient of the Philadelphia Liberty Medal. Marshall, 83, will receive the \$100,000 award during Philadelphia's July 4 celebration. The selection commission said:

INTERNATIONAL CLASSIFIED Appears on Page 4

Matisse Painting Is Found

PARIS — An early version of "The Dance" by Henri Matisse has been found in an inventory undertaken by the painter's heirs, the art critic Pierre Schneider says in the magazine L'Express.

The news magazine says that the painting has been valued at 97 million francs (\$18 million). It is a study done in 1931 for a mural Matisse painted in 1933.

Matisse's son, the New York art dealer Pierre Matisse, died in 1989. The heirs had inventoried and selected 47 works valued at 193 mil-

lion francs to give to French museums to pay inheritance taxes. The paintings will be displayed at the Centre Georges Pompidou beginning June 18, the magazine said.

"Some family members went to the storeroom for a last visit, where there were a few remaining objects without much value, or so they thought," Schneider wrote. But the heirs found "on the floor, a long roll of canvas, old and covered with dust."

Only one canvas version of "The Dance" had previously been known.

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CITY FILES

Amsterdam

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Emergency: 222 222 (police)
Medical assistance: 664 2111
U.S. Embassy: 664 5661
Tourism Office: 626 6444
World Trade Center: 575 9111
American Chamber of Commerce: (070) 365 9808
Local Chamber of Commerce: 523 6600
Currency: \$1 equals 1.8 guilders.
Customs: The value-added tax is 18 percent.
Business travelers can reclaim tax paid on certain expenses from Invoerrechten en Accijnzen, Waldorpstraat 440, The Hague.

Neighborhoods: Amsterdam's plan follows the semicircular layout of its canals, looping around the central train station to the north. The city contains some 90 "islands" and 1,300 bridges and viaducts, and is distinguished by its lack of monumental architecture and grand boulevards. Amsterdam is rather a city of tall, brick-faced housefronts and white lace curtains. Among its oldest buildings are the 13th-century Old Church and the 15th-century New Church. The former Jewish quarter in the east of the old town is the site of Rembrandt's house, now a museum.

Vienna

Country and city codes: 43 1
Emergency: 133 (police)
Medical assistance: American Medical Society, Lazarettgasse 13.
Tel.: 42 45 68
U.S. Embassy: 31 55 11
Tourism Office: 513 88 92
Austria Center Vienna: (0222) 23 69 0
Local Chamber of Commerce: 51 450
American Chamber of Commerce: 31 57 51
Customs: Foreigners can claim exemption on items costing over 1,000 schillings by filling out the special form U34 and having a copy signed by customs upon departure.
Currency: \$1 equals 11.4 schillings.

Neighborhoods: Central Vienna lies within the Ringstrasse, or ring road, which is lined with hotels in what were once palaces. To the west can be found the city hall, parliament, the stock exchange and the university. In the center of the city is the Opera, set in a pedestrian zone that includes the cathedral and many of the city's architectural gems. The Graben area, just north of the Opera, offers coffeehouses and bookstores. The Prater amusement park, frequented by Mozart, is to the east. Outside the city, on the banks of the Danube, is the modern complex United Nations City.

CALENDAR

- AMSTERDAM JUNE 3-8: KUNSTRAI, International Art Fair. RAI-Exhibition and Congress Center. Tel.: 549 1212
- VIENNA JUNE 10-12: SCHWEISSEN, Welding Exhibition, MesseGelande. Tel.: (0222) 782 62612
- VIENNA JUNE 11-15: VINOVA, International Trade Fair for Wines, Wine Growing and Cellar Equipment. MesseGelande. Tel.: 521 200
- VIENNA UNTIL JUNE 14: Vienna Music Festival. Tel.: 586 1676
- UNTIL JUNE 28: Yoshitoshi, Van Gogh Museum. Tel.: 570 5200
- UNTIL JULY 26: "Imitation and Inspiration: The Influence of Japan on Dutch Art." Rijksmuseum. Tel.: 673 2121
- VIENNA JUNE 20 - JULY 7: Jazz Festival Vienna, Messepalast. Tel.: 521 20



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FRANCE**	19*-0011	SPAIN**	900-99-00-11
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GREECE**	00-800-1311	SWITZERLAND**	155-00-11
HUNGARY**	30*-800-01111	UNITED KINGDOM	(800) 89-0011
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